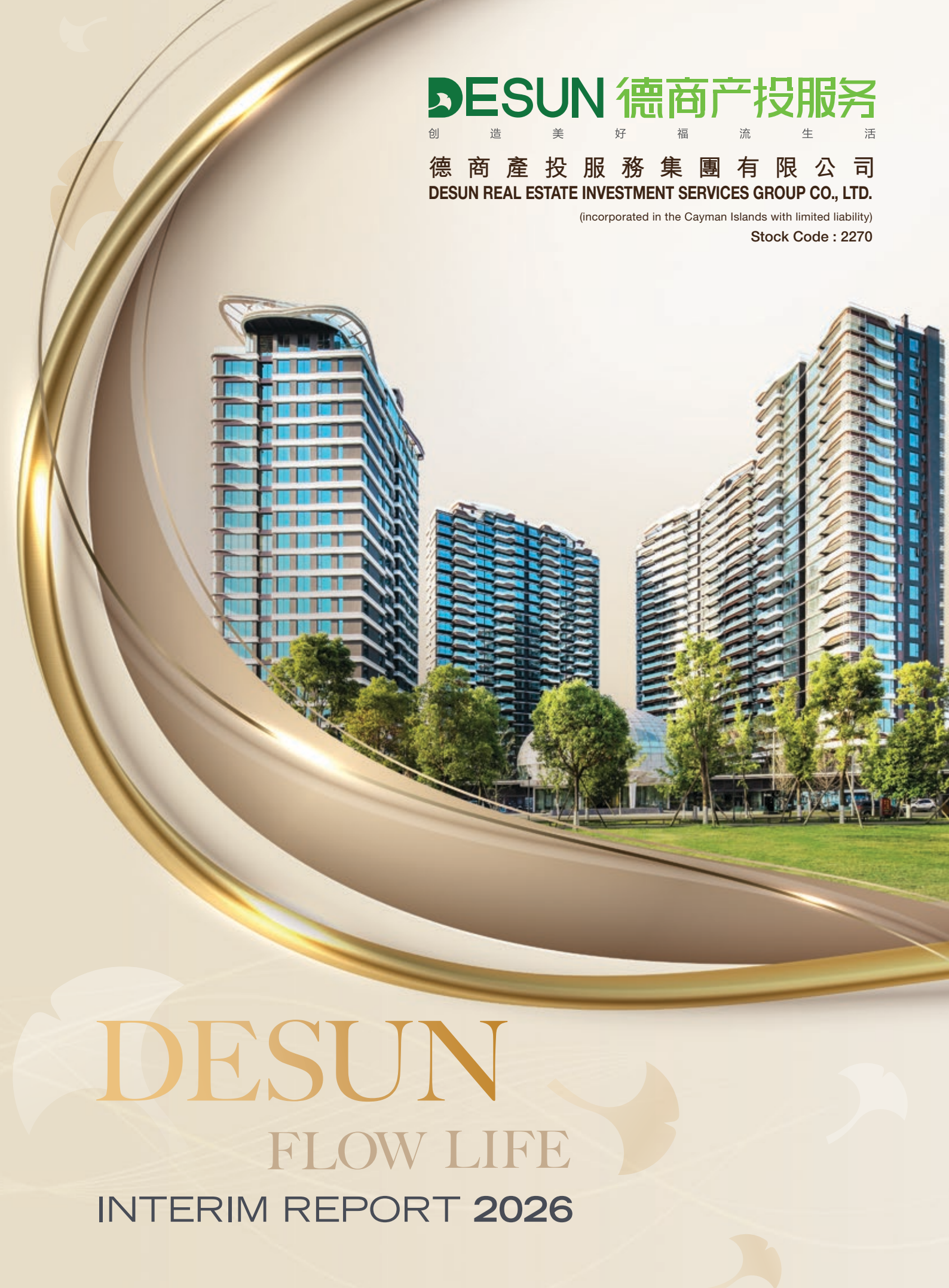


The background of the entire page is a photograph of three modern, multi-story residential or commercial buildings with blue-tinted glass facades. The buildings are set against a clear sky. In the foreground, there is a green lawn and some trees. A large, stylized, golden circular graphic element, resembling a thick ring or a stylized 'D', is overlaid on the left side of the image, partially framing the buildings. The DESUN logo, consisting of a green square with a white stylized 'D' inside, is positioned to the left of the company name.

DESUN 德商产投服务

创 造 美 好 福 流 生 活

德商產投服務集團有限公司
DESUN REAL ESTATE INVESTMENT SERVICES GROUP CO., LTD.

(incorporated in the Cayman Islands with limited liability)

Stock Code : 2270

DESUN
FLOW LIFE
INTERIM REPORT 2026



CONTENTS

2	Definitions
4	Corporate Information
6	Chairman's Statement
8	Management Discussion and Analysis
24	Corporate Governance and Other Information
30	Report on Review of Interim Condensed Consolidated Financial Statements
31	Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
32	Interim Condensed Consolidated Statement of Financial Position
34	Interim Condensed Consolidated Statement of Changes in Equity
35	Interim Condensed Consolidated Statement of Cash Flows
36	Notes to Interim Condensed Consolidated Financial Statements

DEFINITIONS

In this interim report, unless the context otherwise requires, the following terms shall have the meanings as set out below:

“area under management”	contracted GFA of properties that have been delivered, or are ready to be delivered, for which we have started to provide property management services
“Articles of Association” or “Articles”	articles of association of our Company, as amended from time to time
“Audit Committee”	the audit committee of the Board
“Board”	the board of directors of the Company
“BVI”	the British Virgin Islands
“CEO” or “Chief Executive Officer”	chief executive officer of the Company
“CG Code”	the Corporate Governance Code as set out in Appendix C1 to the Listing Rules
“China” or “PRC”	People’s Republic of China, but for the purpose of this interim report and for geographical reference only and except where the context requires otherwise, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Company” or “our Company” or “Desun Real Estate Investment”	Desun Real Estate Investment Services Group Co., Ltd. (德商產投服務集團有限公司) (formerly known as Desun Real Estate Investment Services Limited), an exempted company incorporated in the Cayman Islands with limited liability on 10 December 2020
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and, unless the context requires otherwise, refers to Mr. Zou Kang, Ms. Zou Jian, Sky Donna and Pengna Holding
“Desun Group”	companies in which Mr. Zou Kang has control or joint control, and has significant influence
“Director(s)”	the directors of the Company
“GFA”	gross floor area
“Global Offering”	the Hong Kong public offering and the international offering of the Shares
“Green Real Estate”	Sichuan Desun Smart Green Real Estate Co., Ltd.* (四川德商智慧綠色置業有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, which is principally engaged in construction project management business
“Group”, “our Group”, “our”, “we” or “us”	the Company and its subsidiaries from time to time
“HK\$” or “HKD”	the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
“Pengna Holding”	Pengna Holding Limited, a company incorporated in the BVI on 4 December 2020 with limited liability, which is wholly owned by Ms. Zou Jian
“Pre-IPO Share Option”	the options granted under the Pre-IPO Share Option Scheme
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme effective as of 27 April 2021
“Prospectus”	the prospectus of the Company dated 30 November 2021
“Reporting Period”	for the six months ended 30 June 2026
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary shares in the share capital of our Company with a nominal value of USD0.0001 each
“Shareholder(s)”	holder(s) of our Share(s)
“Sky Donna”	Sky Donna Holding Limited, a company incorporated in the BVI on 4 December 2020 with limited liability, which is wholly owned by Mr. Zou Kang and is one of the Controlling Shareholders
“sq.m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD”	United States dollars, the lawful currency of the United States
“value-added services”	include value-added services provided to property owners, tenants and non-property owners
“Zhongneng”	Chengdu Zhongneng Property Management Company Limited* (成都中能物業管理有限責任公司), a company incorporated with limited liability in the PRC on 16 May 2006 and an indirect wholly owned subsidiary of our Company
“Zhongneng Group”	Zhongneng and its subsidiaries

* Certain amounts and percentage figures included in this interim report have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-executive Director

Mr. Zou Kang

Executive Directors

Mr. Zhang Zhicheng

(Chairman and Chief Executive Officer)

Ms. Wan Hong

Mr. Liu Jun

Mr. Shao Jiazhen

Ms. Zhu Na

Independent Non-executive Directors

Mr. Fang Liqiang

Mr. Chen Di

Mr. Yan Hong

AUDIT COMMITTEE

Mr. Yan Hong *(Chairman)*

Mr. Chen Di

Mr. Fang Liqiang

REMUNERATION COMMITTEE

Mr. Fang Liqiang *(Chairman)*

Mr. Yan Hong

Ms. Wan Hong

NOMINATION COMMITTEE

Mr. Zhang Zhicheng *(Chairman)*

Mr. Fang Liqiang

Mr. Chen Di

Mr. Yan Hong

Ms. Wan Hong

AUTHORISED REPRESENTATIVES

Ms. Wan Hong

Ms. Ng Ka Man

JOINT COMPANY SECRETARIES

Ms. Wan Hong

Ms. Ng Ka Man *(ACG, HKACG)*

REGISTERED OFFICE

190 Elgin Avenue

George Town

Grand Cayman KY1-9008

Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Room 1803, Block A

Desun International

No. 1480 North Section of Tianfu Avenue

High-tech Industrial Development Zone

Chengdu

China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31/F., Tower Two

Times Square

1 Matheson Street

Causeway Bay

Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Walkers Corporate Limited

190 Elgin Avenue

George Town

Grand Cayman KY1-9008

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712-1716

17th Floor Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

CORPORATE INFORMATION

AUDITOR

BDO Limited

Registered Public Interest Entity Auditor

25th Floor, Wing On Centre

111 Connaught Road Central

Hong Kong

LEGAL ADVISER

As to Hong Kong law:

Jingtian & Gongcheng LLP

Suites 3203–3209, 32/F, Edinburgh Tower

The Landmark

15 Queen's Road Central

Hong Kong

PRINCIPAL BANKERS

China CITIC Bank Corporation Limited, Chengdu
Branch

Bank of China Limited, Chengdu Branch, Development
Zone West Sub-branch

China Merchants Bank Co., Ltd., Chengdu Branch

COMPANY WEBSITE

www.desunhui.com

STOCK CODE

2270

DATE OF LISTING

17 December 2021

CHAIRMAN'S STATEMENT

Dear Shareholders,

As we reach the mid-point of 2026, China's asset market is deepening its shift from "incremental development" to "stock operation". The value reversion of the alternative assets is re-emerging, and the integration of global digital economy with the real industries is accelerating. For the Group, this presents both new opportunities for growth and real challenges inherent in a transitional period. In the first half of the year, the Group stayed focused on its annual strategic goals, worked to strengthen its core asset operation capabilities, steadily advanced its full-chain asset management layout, and ensured that all tasks progressed in an orderly manner as planned. The following is a report on the Group's business performance in the first half of 2026 and its work arrangements for the second half of the year.

In the first half of 2026, the Group concentrated efforts on the entire asset operation chain, with overall revenue maintaining steady year-on-year growth. During the Reporting Period, the Group achieved operating revenue of RMB250 million, representing steady growth compared with the same period last year, with its core business demonstrating strong counter-cyclical resilience. We have always regarded "customers, partners and employees" as the three core principles underpinning our corporate survival. The professionalism of our property services has steadily improved, and our asset operation and management business has maintained a rapid pace of growth.

The residential property services segment continued to consolidate its foundation, with the scale of assets under management steadily expanding. The "Youlin Community Hub" operating system has been continuously deepened, and more than 160 owner communities covering basketball, esports, entertainment, and other interests have flourished, truly making the community a warm community of life.

The commercial and office building operation segment continued to deliver solid and stable operating performance. Amid a market environment in which commercial and office asset occupancy rates nationwide have been steadily declining, the Group's core operating projects have consistently maintained an occupancy rate above 90%. Its unique "Commercial-Industrial Complex" model continues to prove its value — through industry introduction and enterprise incubation, it creates a win-win-win outcome in which local governments gain tax revenue and employment, enterprises enjoy policy benefits, and buildings unlock stable cash flow. This model has attracted attention and recognition from governments in multiple regions. On this basis, the development agency construction and non-performing asset management businesses have maintained strong competitiveness in the Chengdu market, further consolidating the development framework of diversified business synergy.

On the technology front, the Group's self-developed "Fuzhi Cloud Smart Service Platform" has completed the online transformation of all business operations. AI agent-powered intelligent customer service and service robots have entered the internal testing phase. We actively embrace AI and digital transformation, continuously implement AI-powered intelligent application scenarios, and use technology to connect resources across communities, commercial buildings, and local governments, empowering connections between people and continuously injecting technological momentum into the Group's high-quality development.

In terms of financial innovation, Hong Kong Desun Qidian Technology, as an important pillar of the Group's internationalization and financialization, is methodically advancing the architectural development and compliance system construction of three major financial sectors. By building channels for introducing overseas capital and optimizing the "fundraising, investment, management, and exit" model, the Group is gradually opening up a two-way empowerment path between capital and assets, injecting technological momentum into its own asset pool and laying the groundwork for subsequent asset-light expansion and asset securitization.

CHAIRMAN'S STATEMENT

In terms of team and ecosystem development, we continue to build a professional team for asset operation and management, consolidate resources from tens of thousands of merchants and hundreds of industries, continuously improve customer satisfaction and partner satisfaction, and continue to create a better stage for employees to showcase their talents, thereby solidifying the foundation for the Group's long-term development.

In the second half of 2026, leveraging our mature asset operation capabilities, the Group will continue to strengthen front-end capital raising and investment deployment, while refining back-end value realization and exit channels, and persistently optimize the integrated "fundraising, investment, management and exit" asset management business model we have established. Through coordinated efforts in "precision in fundraising and investment, professionalism in operation, quality in service, efficiency in exit, and digitalization in management", we will strategically invest in industries aligned with urban assets and refine the "operation-based, capital-driven" business system. We will continue to deepen existing assets operation, consolidate the core advantages of our three major product lines, and enhance industrial resource integration and value extraction. We will give full play to the pivotal role of Hong Kong Qidian Technology to connect with high-quality global capital and industrial resources and steadily advance our global layout. We will deepen the application of digital technologies to empower the upgrading of operational efficiency and service experience through technology. We will continue to integrate resources across industry, capital, technology and services to drive the Group's leapfrog development.

Dear Shareholders, partners and colleagues, though the road ahead is long and arduous, with action, we will reach our destination. Over nearly five years since Listing, Desun Real Estate Investment Services has completed its transformation from a supporting property service provider dependent on real estate to an independent urban asset operator. During the real estate contraction period, we strategically positioned ourselves in new sectors such as technology, finance and asset management against the market trend. Our core logic has remained consistent, that is to build a first-class asset management enterprise with a complete closed-loop capability in "fundraising, investment, management, and exit". The path of transformation is inevitably accompanied by temporary pains, yet the realization of long-term value stems precisely from the firm layout and continuous cultivation of the present. We thank all our shareholders for their continued trust and support, all colleagues for their dedication and perseverance, and all partners for their collaboration and companionship. In the second half of 2026, we will continue to seize market opportunities with long-term strategic focus and innovative courage. We aim to build a high-quality, sustainable development pattern that transcends market cycles, striving to become a leading asset management platform in the industry, creating better value for our clients' assets, building a mutually beneficial and win-win industrial ecosystem, and delivering improved returns for our Shareholders and investors.

Zhang Zhicheng

Chairman, Chief Executive Officer and Executive Director

Chengdu, 28 August 2026

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

In recent years, amidst the profound restructuring of the property sector in the era of existing stock, the industry has accelerated its transition towards “improved quality and efficiency”. The underlying logic is shifting from expansion through new developments to the intensive management of existing stock, and from high-speed growth to high-quality development. This shift has had a particularly profound impact on the property management sector. For a long time, property management companies have relied heavily on basic property services; however, as new development has plateaued and the growth rate of managed floor area has slowed, the growth model based solely on scaling up “four safeguards and one service” has reached its peak. At the same time, policy measures continue to drive urban regeneration and the revitalisation of existing spaces. A vast number of existing buildings, industrial parks and commercial facilities are in urgent need of professional operational expertise, providing the practical foundation for property management companies to evolve from “service providers” to “asset operators and managers”. Revitalising existing assets and forging a second growth curve have become a consensus within the industry. As financial instruments such as asset securitisation become increasingly mature, the industry’s closed-loop logic of “investment, financing, management and exit” is gradually being realised — the value of assets is no longer solely anchored to the natural appreciation of land, but is determined by long-term, stable cash flows and professional operational management capabilities. This transformation signifies that only by converting operational capabilities into certainty of asset value can companies take the initiative in the new landscape where “operations determine value and capital revitalises existing assets”.

BUSINESS REVIEW

Facing structural adjustments in the industry and an increasingly competitive environment, the Group adhered to a long-term perspective, focusing on urban assets and continuously strengthening its comprehensive asset management capabilities. This has resulted in the formation of three core product lines: commercial and residential communities, integrated industrial and commercial complexes, and digital economy industrial parks. Through deep engagement in the existing property market, expansion of service scenarios, and focus on core operations, the Group has progressively developed a comprehensive service ecosystem covering the full lifecycle of assets. This has ultimately resulted in the formation of three synergistic business segments: property services, asset operation, and investment and development.

During the Reporting Period, the Group’s business mainly included three segments: (i) property services segment: primarily comprising property management services and other value-added services as well as carpark space sales; (ii) asset operation services segment: primarily including office building sublease services, commercial operation services, commercial property management and other related services as well as e-commerce live-streaming services; and (iii) investment and development segment: primarily covering home decoration and refurbishment services and others.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

During the Reporting Period, the Group recorded revenue of RMB250.5 million, representing an increase of 9.9% as compared to RMB228.0 million for the corresponding period in 2025, mainly attributable to the expansion of business scale and development of diversified business segments; gross profit of approximately RMB41.4 million, representing a decrease of 13.4% as compared to RMB47.8 million for the corresponding period in 2025; and gross profit margin of 16.5%, representing a decrease of 4.5 percentage points as compared to 21.0% for the corresponding period in 2025. The Group's net loss after tax for the six months ended 30 June 2026 was RMB9.7 million, compared to a net profit after tax of RMB19.8 million for the corresponding period in 2025, which was mainly due to the Group's active advancement of its business transformation and upgrading, which involved necessary upfront investment of resources and a temporary increase in operating expenses, resulting in an adverse impact on the profit or loss. Meanwhile, the real estate development projects of the Group's associates, which are still at the initial stage and have not yet entered the phase of concentrated delivery and revenue recognition, resulted in investment losses during the period. Moreover, the Group recognised share-based payment expenses during the period in respect of share grants implemented during the Reporting Period and prior years for the Company's strategic development needs. Such expenses represent a significant investment made by the Group to enhance long-term talent competitiveness and to attract and deeply engage the core team.

Revenue and its Composition

Business segment	For the six months ended 30 June 2026		For the six months ended 30 June 2025		Period-on-period change %
	RMB'000	Percentage of total revenue %	RMB'000	Percentage of total revenue %	
Property services	153,082	61.1	140,114	61.4	Increase 9.3%
Asset operation services	85,976	34.3	80,148	35.2	Increase 7.3%
Investment and development	11,441	4.6	7,770	3.4	Increase 47.2%
	<u>250,499</u>	<u>100.0</u>	<u>228,032</u>	<u>100.0</u>	<u>Increase 9.9%</u>

Revenue

During the Reporting Period, the Group recorded a revenue of RMB250.5 million, representing a period-on-period increase of 9.9% as compared to RMB228.0 million for the six months ended 30 June 2025, which was mainly attributable to the expansion of business scale and development of diversified business segments.

The Group's revenue was primarily generated from its three business segments: (i) property services; (ii) asset operation services; and (iii) investment and development. During the Reporting Period, (i) revenue generated from property services segment was RMB153.1 million, which accounted for 61.1% of the Group's total revenue, representing a period-on-period increase of 9.3% as compared to RMB140.1 million for the corresponding period in 2025; (ii) revenue generated from asset operation services segment was RMB86.0 million, which accounted for 34.3% of the Group's total revenue, representing a period-on-period increase of 7.3% as compared to RMB80.1 million for the corresponding period in 2025; and (iii) revenue generated from investment and development segment was RMB11.4 million, which accounted for 4.6% of the Group's total revenue, representing a period-on-period increase of 47.2% as compared to RMB7.8 million for the corresponding period in 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Property Services

During the Reporting Period, the Group's property services segment generated RMB153.1 million in revenue, contributing 61.1% to the Group's total revenue, which represents a period-on-period increase of 9.3% from RMB140.1 million for the corresponding period in 2025, primarily attributable to the increase in the scale of properties under management as compared with the corresponding period of the last year.

The Group's property services segment encompasses both basic property management and value-added services. Basic property services provide daily operational services such as security, cleaning, maintenance and landscaping for residential properties and ancillary commercial facilities. Value-added services extend to areas such as household living, retail, asset brokerage and community event operations, built around the life scenarios of property owners.

During the Reporting Period, the Group remained committed to deepening its presence in the existing asset market, steadily expanding its scale through market-oriented external development. The gross floor area under management increased from 11.37 million sq.m. in the 2025 interim period to 12.40 million sq.m. in the 2026 interim period. Adhering to our user philosophy of "being user-centric, creating value for customers, and delivering value perceptible to customers", we have continued to steadily operate our basic property services while extending value-added services in areas such as household living, retail, asset brokerage and community event operations around community scenarios, thereby diversifying our revenue streams.

In addition, the Group has deepened its AI technology empowerment initiatives: on the one hand, through a task management platform and inspection intelligent agents, we have automated scheduling management, facility monitoring and hazard early warning, thereby enhancing frontline operational efficiency; on the other hand, by leveraging customer profiling and a data foundation, we have accurately grasped owners' needs to support the development of value-added services. Technological means are gradually driving cost reduction and efficiency improvement in property services.

Asset Operation Services

During the Reporting Period, the revenue from the Group's asset operation services segment amounted to RMB86.0 million, accounting for 34.3% of the Group's total revenue, representing an increase of 7.3% as compared to RMB80.1 million for the corresponding period in 2025, mainly due to the expansion of business scale.

The Group's asset operation segment possesses full-chain professional service capabilities. Leveraging diverse business models including entrusted operations, cooperation and profit-sharing, investment promotion and operations, and leasehold management, we have been deeply involved in the revitalisation and upgrading of existing assets in key areas of Chengdu, and have continued to advance commercial office operations and industrial ecosystem development. As at the date of this report, this segment successfully expanded its portfolio to include projects such as Chengdu Meijing Center (成都每經中心) and Hongcang Huatian Mansion (紅倉華天大廈), which are integrated industrial and commercial complexes. We will fully leverage our strengths in asset operations, and through professional investment promotion and meticulous operations, transform the above projects into benchmark integrated industrial and commercial complexes, thereby attracting more high-quality partners and customer resources, and providing sustained momentum for the Group's long-term development.

MANAGEMENT DISCUSSION AND ANALYSIS

During the Reporting Period, our office building brand maintained a comprehensive occupancy rate of over 90% through its mature operating system, demonstrating the continued resilience of our core commercial office assets. At the same time, the Group has actively promoted deeper business collaboration with leading internet companies such as Huya and strategic partners, exploring the integrated development of online business formats such as gaming content and entertainment live streaming with offline industrial and commercial spaces.

Investment and Development

During the Reporting Period, the revenue from the Group's investment and development segment amounted to RMB11.4 million, accounting for 4.6% of the Group's total revenue, representing an increase of 47.2% as compared to RMB7.8 million for the corresponding period in 2025.

As an important component of the Group's diversified business portfolio, the investment and development segment operates across areas including home furnishing, entrusted construction management, asset investment and digital finance, with each sub-sector advancing capability building and business implementation within its respective track. During the Reporting Period, revenue from this segment grew by 47.2% compared with the same period of the previous year, with entrusted construction management and the home furnishing business being the primary sources of growth. At present, this segment as a whole remains in the early investment and cultivation stage, with a relatively small scale and limited impact on the Group's overall performance. Going forward, the Group will continue to enhance the synergy and growth quality of this segment's various businesses through resource coordination and industrial chain integration.

Cost of Sales

During the Reporting Period, the Group's cost of sales amounted to RMB209.1 million, representing an increase of 16.0% as compared to RMB180.2 million for the corresponding period in 2025, which was mainly due to the increase in the various costs resulting from the expansion of business scale and the development of diversified business segments.

Gross Profit and Gross Profit Margin

For the six months ended 30 June 2026, the Group recorded the gross profit of RMB41.4 million, representing a decrease of 13.4% as compared to RMB47.8 million for the corresponding period in 2025. The gross profit margin was approximately 16.5%, representing a decrease of 4.5 percentage points as compared to the gross profit margin of 21.0% for the corresponding period in 2025. The decrease in gross profit margin was mainly due to the Group's increased investment in improving the quality of property services as a result of the expansion of business scale as well as increases in various costs following the development of its diversified business segments.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Income and Gains or Losses, Net

Our other income and gains mainly consist of government grants, compensation received, interest income and foreign exchange (losses)/gains, net. The decrease of other income and gains by approximately RMB1.7 million, or approximately 33.4% from approximately RMB5.1 million for the six months ended 30 June 2025 to approximately RMB3.4 million for the six months ended 30 June 2026 was primarily due to the decrease in government grants and the increase in net foreign exchange loss, as well as fair value change losses.

Administrative Expenses

Our administrative expenses mainly consist of labour costs, business entertainment expenses, office expenses, staff dormitory and office occupancy expenses, promotion expenses, transportation expenses, tax expenses, special service expenses, depreciation and amortisation, lease expenses, share-based payment expenses and others. Administrative expenses of our Group increased by RMB13.5 million, or 66.2% from RMB20.4 million for the six months ended 30 June 2025 to RMB33.9 million for the six months ended 30 June 2026, which was mainly attributable to the initial strategic investments made to develop new diversified business, as well as the increase in share-based payment expenses recognised in the current period in respect of share grants implemented during the Reporting Period and in prior years.

Provision for Impairment Losses on Trade Receivables, Net

The net provision for impairment losses on trade receivables for the six months ended 30 June 2026 was RMB8.5 million as compared to the six months ended 30 June 2025 of RMB7.5 million, which was mainly due to the Company making additional provisions for impairment based on prudence.

Provision for Impairment Losses on Deposits and Other Receivables, Net

The Group recorded a net reversal of impairment losses on deposits and other receivables of approximately RMB0.2 million for the six months ended 30 June 2026, compared with a net provision of approximately RMB1.0 million for the corresponding period in 2025, which was mainly due to the recovery of part of the deposits and other receivables, which reduced the provision for impairment.

Finance Costs

Our finance costs during the Reporting Period amounted to RMB7.1 million, representing a decrease of 3.7% from RMB7.4 million for the same period in 2025, which was mainly due to the decrease in interest on lease liabilities.

Other Expenses

We incurred other expenses of RMB0.7 million during the Reporting Period, representing an increase of 59.4% as compared to other expenses of RMB0.4 million for the same period in 2025, which was mainly due to the increase in bank charges.

Impairment Loss on Other Intangible Assets

During the Reporting Period, the Group recorded an additional impairment loss on other intangible assets of RMB0.5 million, primarily arising from impairment of acquired digital assets.

MANAGEMENT DISCUSSION AND ANALYSIS

Share of (Loss)/Profit of Associates

Our share of loss of associates for the six months ended 30 June 2026 amounted to RMB3.1 million, as compared with a share of profits of associates of RMB5.5 million recorded for the six months ended 30 June 2025, which was mainly due to the investment losses incurred during the period from the real estate development projects of the Group's associates, which are still at the initial stage and have not yet entered the phase of concentrated delivery and revenue recognition.

(Loss)/Profit before Income Tax

The Group recorded a loss before income tax of approximately RMB9.1 million for the six months ended 30 June 2026, compared with a profit before income tax of approximately RMB21.6 million for the corresponding period in 2025.

Income Tax Expense

Our income tax expense was approximately RMB1.9 million and approximately RMB0.6 million for the six months ended 30 June 2025 and the six months ended 30 June 2026, respectively.

(Loss)/Profit for the Reporting Period

The Group recorded a net loss after tax of RMB9.7 million for the six months ended 30 June 2026, compared with a net profit after tax of RMB19.8 million for the corresponding period in 2025, primarily attributable to the Group actively advancing its business transformation and upgrading, which has adversely affected its profit or loss due to the necessary upfront resource investments and a temporary rise in operating expenses. Meanwhile, the real estate development projects of the Group's associates are still in the preliminary stage and have not yet entered the period of concentrated delivery and revenue recognition, resulting in investment losses during the current period. In addition, as necessitated by the Company's strategic development, share grants implemented during the Reporting Period and in prior years gave rise to share-based payment expenses recognised in the current period. Such expenses represent a significant investment made by the Group to build long-term talent competitiveness and to attract and deeply retain its core team. The net profit margin for the Reporting Period changed from 8.7% for the six months ended 30 June 2025 to -3.9% for the six months ended 30 June 2026.

Property and Equipment

Property and equipment mainly consist of electric devices and leasehold improvements, which decreased from RMB94.0 million as at 31 December 2025 to RMB89.6 million as at 30 June 2026, which was mainly due to the provision for depreciation.

Investment Properties

Investment properties consist of residential and commercial properties located in the PRC that are held to earn rentals or for capital appreciation, or both. Investment properties decreased from RMB211.5 million as at 31 December 2025 to RMB203.5 million as at 30 June 2026, which was primarily due to the provision for depreciation.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Intangible Assets

We recognised other intangible assets of RMB8.2 million as at 30 June 2026 (as at 31 December 2025: RMB6.9 million), which mainly include (i) customer relationships arising from the acquisition of Zhongneng Group and Green Real Estate, calculated using the straight-line method over the expected useful life of 2 years to 10 years based on the past experience of the renewal model of property management contracts and the expected duration of the contracts; and (ii) digital assets newly acquired during the current period.

Goodwill

Goodwill arose out of our acquisition of Zhongneng Group in 2020, with a carrying amount of RMB9.2 million as at 30 June 2026 (as at 31 December 2025: RMB9.2 million).

Trade Receivables

Trade receivables mainly arise from property management services and certain value-added services. Trade receivables of our Group increased from RMB169.3 million as at 31 December 2025 to RMB197.6 million as at 30 June 2026, primarily due to the expansion of business scale.

The Group's primary customer base comprises individual customers, property developers, and other corporate customers. As of 26 August 2026, the Group had subsequently settled trade receivables amounting to RMB25.0 million. To ensure the orderly collection of receivables, the Group has established a regular management mechanism, conducting systematic analysis and review of the formation background, historical evolution, and underlying reasons for the receivables on both a regular and ad-hoc basis. For different customer types, the Group adopts a variety of collection measures, including but not limited to sending collection letters, engaging in on-site communication and negotiation, implementing debt settlement with assets and initiating legal action. Meanwhile, the Group actively assists customers in revitalizing their assets, such as by helping to lease or sell vacant properties to enhance their cash flow repayment capacity. Additionally, the Group promotes payment collection through organizing community cultural activities, improving service quality, and offering property-related incentives.

As of 30 June 2026, the Group had no trade receivables for which impairment provisions were recognised on an individual basis. Trade receivables are subject to the determination of expected credit loss rates using the provision matrix method under the simplified approach of Hong Kong Financial Reporting Standard 9 (HKFRS 9).

Prepayments, Deposits and Other Receivables

Prepayments, deposits and other receivables mainly comprise deposits paid for performance and project tendering, advances to staff, payments on behalf of residents relating to utilities and borrowings provided to associates. Our Group's prepayments, deposits and other receivables decreased from RMB201.4 million as at 31 December 2025 to RMB189.1 million as at 30 June 2026, which was mainly due to the partial repayment of a loan granted to an associate.

Trade Payables

Trade payables primarily represent our obligations to pay for goods and services that have been acquired in the course of business from suppliers, and primarily consist of cleaning fees, material fees, maintenance fees, subcontracting fees and construction fees. Trade payables of the Group increased from RMB40.6 million as at 31 December 2025 to RMB45.9 million as at 30 June 2026, primarily due to the increase in procurement resulting from the expansion of business scale.

MANAGEMENT DISCUSSION AND ANALYSIS

Other Payables and Accruals

The other payables and accruals of our Group primarily consist of payables for payroll, utilities, other taxes, advance receipts on behalf of residents, consideration payables as well as deposits received. The other payables and accruals decreased from RMB158.7 million as at 31 December 2025 to RMB149.1 million as at 30 June 2026, which was mainly due to the payment during the current period of the year-end bonuses accrued at the end of the previous year.

Contract Liabilities

The contract liabilities of our Group primarily arise from the advance payments received from customers for property management services. The contract liabilities of the Group decreased from RMB77.5 million as at 31 December 2025 to RMB68.2 million as at 30 June 2026, primarily due to customers' payment habits.

Tax Payable

Tax payable of our Group primarily consists of PRC corporate income tax and value-added tax payable. Our tax payable decreased from RMB9.8 million as at 31 December 2025 to RMB4.2 million as at 30 June 2026, primarily due to the income tax paid during the period.

Lease Liabilities

As at 30 June 2026, the current lease liabilities of our Group were RMB18.0 million (as at 31 December 2025: RMB17.5 million), primarily due to the increase in rent to be paid in the next year according to the contract. Our Group recorded non-current lease liabilities of RMB21.0 million as at 30 June 2026 (as at 31 December 2025: RMB219.9 million), primarily due to the reclassification of certain lease liabilities due within one year to current liabilities.

Liquidity and Capital Resources

Our cash and cash equivalents decreased by RMB67.1 million from RMB178.6 million as at 31 December 2025 to RMB111.5 million as at 30 June 2026. Our net current assets decreased from RMB219.5 million as at 31 December 2025 to RMB160.8 million as at 30 June 2026. Our current ratio is approximately 1.5 times (31 December 2025: approximately 1.7 times). As at 30 June 2026, the short-term borrowing was RMB68.8 million (31 December 2025: RMB53.4 million).

The bank borrowings of the Group are denominated in Renminbi, with details (including the range of interest rates) set out in note 19 to the interim condensed consolidated financial statements of this interim report. As at the end of the Reporting Period, all interest-bearing bank borrowings were at fixed rates.

As at the end of the Reporting Period, the Group did not use financial instruments for hedging purposes.

Pledge of Assets

As at 30 June 2026, none of the assets of the Group were pledged (as at 31 December 2025: nil).

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the Reporting Period, the Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures.

MANAGEMENT DISCUSSION AND ANALYSIS

Significant Investment Held and Future Plans for Material Investment and Capital Assets

As at 30 June 2026, the Group did not hold any significant investment representing 5% or more of the Group's total assets as at the end of the Reporting Period. Save as disclosed herein, the Group had no other plans for material investments or additions of capital assets as at the date of this report.

Gearing Ratio

The gearing ratio (sum of interest-bearing bank loans divided by total equity) as at 30 June 2026 was 28.2% (as at 31 December 2025: 25.2%). The increase is primarily due to the increase in bank loans based on the needs of business development.

Contingent Liabilities

As at 30 June 2026, the Group did not have any material contingent liabilities (31 December 2025: nil).

Treasury Policies

We consistently adhere to our treasury policies in managing relevant departments as well as conducting business, accounting and archiving processes. We are committed to safeguarding overall financial security and maintaining a strong cash position, a healthy debt profile with strong repayment capacity. To ensure sound financial management, we have established a long-term, medium-term and short-term liquidity management system. Through a comprehensive, rational and professional evaluation mechanism, along with annual and monthly cash flow planning, we have established a disciplined fund management framework to effectively mitigate market risks. If new funding needs arise due to factors such as strategic expansion, we will promptly arrange external financing to meet such requirements.

Foreign Exchange Risk

Other than certain bank deposits which are denominated in USD and HKD (as at 30 June 2026, bank and cash balances denominated in HKD and USD equal to RMB30.02 million in total; as at 31 December 2025: RMB23.91 million), the Group's business is principally conducted in RMB and therefore we were not exposed to any material direct risk of foreign exchange fluctuation as at 30 June 2026. Accordingly, the Group considers its exposure to currency risk to be insignificant. During the Reporting Period, the Group did not enter into any hedging transaction against foreign currency risks. However, the Board will remain alert to any relevant risks and, if necessary, consider hedging any material potential foreign exchange risk.

Employees and Benefits Policies

As at 30 June 2026, our Group had 1,365 employees (30 June 2025: 1,336 employees). During the Reporting Period, the wages and salaries of the employees of the Group were RMB72.0 million (for the six months ended 30 June 2025: RMB56.8 million), representing an increase of 26.8%. An employee's remuneration is determined based on the employee's performance, skills, knowledge, experience and market trends. Our Group regularly reviews compensation policies and programs, and will make necessary adjustment in order to be in line with the remuneration levels in the industry. Our Group also provides various systematic and extensive training programs to its employees. Our Group's employee training programs primarily cover key areas in the Group's business operations, which provide continuous training to our Group's existing employees at different levels to specialise and strengthen their skill sets.

MANAGEMENT DISCUSSION AND ANALYSIS

On 22 December 2023, the Company also adopted the share award scheme which was amended and restated on 20 May 2024 and 14 July 2025, respectively (the “**Share Award Scheme**”). The purposes of the Share Award Scheme are to recognise the contributions by certain eligible participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and to attract suitable personnel for further development of the Group.

Retirement Benefits Scheme

The Group participates in a defined contribution scheme (the “**MPF Scheme**”) open to its Hong Kong employees, in accordance with the provisions of the Mandatory Provident Fund Schemes Ordinance. Contributions to the MPF Scheme by the Group and its employees are made at a specified percentage of the employees’ basic salaries and are paid in accordance with the requirements of the relevant regulations.

There are no forfeited contributions available to the Group, as an employer, to reduce the current level of contributions.

Major Risks and Uncertainties

The Group recognizes the critical importance of risk management practices and is committed to mitigating risks in its operations and financial condition as efficiently and effectively as possible. The following are the major risks and uncertainties facing our business:

- (i) failure to fulfill contractual obligations with clients may negatively impact the Group’s operating performance and financial condition;
- (ii) our Group is susceptible to changes in the regulatory landscape of the PRC property management industry;
- (iii) the Group faces intense competition as an increasing number of listed competitors on the Stock Exchange are seeking to acquire high-quality property management companies in the PRC. There is no guarantee that our Group will be able to acquire or invest in the desired targets as planned; and
- (iv) any financial difficulties encountered by Desun Group could adversely affect the Group’s business, financial condition, operating results and prospects.

To address the aforementioned risks, the Group will implement mitigation measures in the following aspects:

- (i) **Business Diversification and Refined Management:** the Group will diversify its revenue streams by deepening its presence in three core business segments, optimizing its business structure to reduce reliance on any single business or related parties, thereby strengthening its overall risk resilience. Meanwhile, through digital transformation, the Group will refine cost control and cash flow management to mitigate capital utilization risks, achieving balanced growth in scale and quality.
- (ii) **Resource Allocation Optimisation and Talent Assurance:** by reducing costs and increasing efficiency, along with optimising resource allocation, the Group aims to enhance overall operational efficiency and lower operational costs, thus mitigating risks stemming from regulatory changes or intensified market competition. Furthermore, with a customer value-oriented approach, the Group will elevate service quality, establish a standardized evaluation mechanism, and refine its talent cultivation and incentive programs to strengthen team execution and innovation capabilities, providing a solid talent foundation to navigate a complex and ever-changing market environment.

MANAGEMENT DISCUSSION AND ANALYSIS

Future Outlook

Looking ahead, building on its well-established professional asset operating capabilities, the Group will focus on developing an integrated asset management model centred on the full cycle of “fundraising, investment, management and exit”. The Group will undertake a comprehensive industrial layout and strategic investments focused on urban assets, and gradually establish a complete business system underpinned by “operations as the foundation and capital as the driver”.

The Group will continue to strengthen its front-end capabilities in fund raising and investment deployment, and systematically enhance back-end value realisation and exit mechanisms, so as to further strengthen key links in the closed-loop asset management chain. Meanwhile, the asset operation segment will continue to leverage its professional strengths to systematically enhance asset value and operating efficiency; the property services segment will further deepen customer relationships and steadily expand its management scale.

Through the synergistic framework of “targeted fundraising and investment, professional operation, quality services, efficient exit and digitalised and intelligent management”, the Group will continue to promote high-quality development of business.

Other Important Business Developments and Transactions

During the Reporting Period, other important business developments and transactions of the Group include: (i) On 25 March 2026, Chengdu Desun Real Estate Investment Property Service Co., Ltd.* (成都德商產投物業服務有限公司), successfully won the bid for the Jiaozi Park Financial and Business District Cultural and Financial Industry Supporting Infrastructure Construction Project (成都市交子公園金融商務區文創金融產業配套基礎設施建設項目), the relevant lease arrangements constituted discloseable transactions under Chapter 14 of the Listing Rules; (ii) On 31 March 2026, Wuhan Branch of Chengdu Desun Real Estate Investment Property Service Co., Ltd.* (成都德商產投物業服務有限公司武漢分公司) entered into the offset agreement with Wuhan Desun Rong He Real Estate Co., Ltd.* (武漢德商榮和置業有限公司), pursuant to which Wuhan Branch of Chengdu Desun Real Estate Investment Property Service Co., Ltd.* (成都德商產投物業服務有限公司武漢分公司) agreed to acquire the commercial residential properties (No. 301 and No. 302) of Building No. 11 of the Desun Zhangtai Feili Tianxi Project (德商彰泰翡麗天璽項目), located in the East Lake High-tech Development Zone, Wuhan City, the PRC at the consideration of RMB3,691,863.00, which shall be partially offset against the receivables, the relevant transaction constituted a connected transaction under Chapter 14A of the Listing Rules; and (iii) Chengdu Desun Real Estate Investment Enterprise Management Group Co., Ltd.* (成都德商產投企業管理集團有限公司) successfully won the bid for the Hongcang Huatian Mansion on 23 June 2026. The relevant lease arrangements constituted a major transaction under Chapter 14 of the Listing Rules. For details, please refer to the announcements of the Company dated 25 March 2026, 31 March 2026, 14 May 2026 and 23 June 2026.

MANAGEMENT DISCUSSION AND ANALYSIS

Provision of Financial Assistance

On 24 September 2025, Green Real Estate, an indirect wholly-owned subsidiary of the Company, carried out a capital increase in Chengdu Bangtai Jinchen Real Estate Co., Ltd.* (成都邦泰錦宸置業有限公司) (“**Chengdu Bangtai**” or the “**Target Company**”). Upon completion of the capital increase, the registered capital of the Target Company was increased from RMB10 million to RMB20 million, and each of Green Real Estate and Chengdu Bangtai Yueshang Real Estate Co., Ltd.* (成都邦泰躍尚置業有限公司) (“**Bangtai Yueshang**”) holds 50% of the equity interests in the Target Company.

On 10 October 2025, Green Real Estate, Bangtai Yueshang and Chengdu Bangtai entered into a loan agreement (the “**Loan Agreement**”). Pursuant to the Loan Agreement, among other things, Green Real Estate provided a Shareholder’s loan with a maximum principal amount not exceeding RMB160 million to Chengdu Bangtai (the “**Shareholder’s Loan**”). The aforementioned principal amount of the Shareholder’s Loan to be provided by Green Real Estate was determined pro rata to its respective shareholding in Chengdu Bangtai. The amount of the Shareholder’s Loan is determined based on the estimated costs for the funding of the acquisition through bidding of the subject land parcel (the “**Subject Land Parcel**”) and the preliminary development of the Subject Land Parcel and the relevant taxes. The term of the Shareholder’s Loan is one year, commencing on 11 October 2025 and ending on 10 October 2026. Notwithstanding that the Shareholder’s Loan may be drawn down in multiple installments, the maturity date for each such drawdown shall be 10 October 2026. The Shareholder’s Loan bears interest at a rate of 3.5% per annum, which shall be calculated on a daily basis based on the principal amount drawn down by Chengdu Bangtai and settled quarterly. Chengdu Bangtai shall pay the accrued interest to Green Real Estate and Bangtai Yueshang on the designated interest settlement date. Without the prior written consent of Green Real Estate and Bangtai Yueshang, the Shareholder’s Loan shall be used by the Target Company solely for the purpose of paying the land transfer price of the Subject Land Parcel and covering the related development and operational expenses for the development of the Subject Land Parcel. Chengdu Bangtai shall repay the outstanding principal amount of the Shareholder’s Loan and all accrued interest by the maturity date of the term of the Shareholder’s Loan.

On 19 December 2025, Green Real Estate entered into the guarantee agreement (the “**Guarantee Agreement**”) and the pledge agreement (the “**Pledge Agreement**”) with Bank of China. Pursuant to the Guarantee Agreement and the Pledge Agreement, Green Real Estate agreed to (i) provide the joint liability guarantee; and (ii) pledge its 50% equity interest in Chengdu Bangtai to Bank of China, for the Repayment Obligations.

Under the Guarantee Agreement, Green Real Estate agreed to provide joint liability guarantee for the Repayment Obligations with a maximum principal debt amount of RMB150 million and the interest accrued on the aforementioned principal debt amount (including interest, compound interest and penalty interest), liquidated damages, compensations for damages, expenses incurred in enforcing the creditor’s rights (including but not limited to litigation costs, legal fees, notary fees, execution fees, etc.), losses caused to the creditor due to the debtor’s default and all other payable expenses. Under the Guarantee Agreement, the guaranteed debts shall be calculated separately on a per-debt basis, with the term of guarantee for each debt being three years from the date of expiration of the performance period of the respective debt. The term of the guarantee is determined according to industry practice and the prevailing operational standards of banking institutions. The abovementioned performance period refers to the period agreed upon between Chengdu Bangtai (as the debtor) and Bank of China (as the creditor) under the relevant fixed asset loan agreement and other documents within which Chengdu Bangtai shall fulfill the relevant Repayment Obligations. According to the Guarantee Agreement, during the term of the guarantee,

MANAGEMENT DISCUSSION AND ANALYSIS

the creditor shall have the right to demand that the guarantor fulfill its guarantee liability for any or all of the outstanding debts within the scope of guarantee that may arise from the multiple drawdowns under the facility (i.e. the maximum principal amount of RMB150 million) when such debts are defaulted.

Under the Pledge Agreement, the Pledged Asset is the 50% equity interest in Chengdu Bangtai held by Green Real Estate. The Pledged Asset shall be pledged as guarantee for the Repayment Obligations with a maximum principal debt amount of RMB150 million and interest accrued on the aforementioned principal debt amount (including interest, compound interest and penalty interest), liquidated damages, compensations for damages, costs of safekeeping collateral and enforcing claims (including but not limited to litigation costs, legal fees, notary fees, execution fees, etc.), losses caused to the pledgee due to the debtor's default and all other payable expenses.

The Group's advances to an entity and the financial assistance given to affiliated companies (as defined under Rule 13.11(2) of the Listing Rules) of the Group in aggregate have exceeded 8% of the assets ratio under Rule 14.07(1) of the Listing Rules. As at 30 June 2026, the financial assistance required to be disclosed by the Group under Rules 13.20 and 13.21 of the Listing Rules is as follows:

Name of the affiliated company	The Group's attributable interest in affiliated company	Loans to affiliated companies	Committed capital injection	Guarantees for facilities granted to affiliated companies
Chengdu Bangtai	50%	RMB70,103,000 (Note 1)	RMB10,000,000 (Note 2)	RMB150,000,000
Sichuan Huishang Taifu Commercial Management Co., Ltd.* (四川匯商泰富商業管理有限公司)	50%	RMB2,000,000 (Note 3)	RMB875,000	—
Sichuan Ruihong Shiji Commercial Management Co., Ltd.* (四川瑞泓世紀商業管理有限公司)	50%	RMB1,250,000 (Note 4)	RMB250,000	—
Sichuan Huasheng Hongxin Commercial Management Co., Ltd.* (四川華盛泓鑫商業管理有限公司)	10%	RMB150,000 (Note 5)	RMB100,000	—
Sichuan Yuhong Times Commercial Management Co., Ltd.* (四川宇泓時代商業管理有限公司)	30%	RMB1,500,000 (Note 6)	RMB2,400,000	—

Notes:

1. This amount represents the Shareholder's Loan provided by Green Real Estate to Chengdu Bangtai under the Loan Agreement. As at the end of the Reporting Period, the principal amount available under the Shareholder's Loan provided by Green Real Estate to Chengdu Bangtai under the Loan Agreement was RMB44,226,513. As at the end of the Reporting Period, the principal amount repayable by Chengdu Bangtai to Green Real Estate under the Shareholder's Loan amounted to RMB70.103 million.
2. On 24 September 2025, Green Real Estate entered into the Capital Increase Agreement with Bangtai Yueshang, pursuant to which, Green Real Estate agreed to subscribe for RMB10,000,000 of the new registered capital of Chengdu Bangtai in cash at a subscription price of RMB10,000,000. The aforementioned committed capital injection will be provided by internal resources of the Group.
3. The amount involves a loan of RMB2,000,000. It bears an interest rate of 12% per annum, is unsecured, with interest payable annually and the principal thereof is payable at maturity in one lump sum, and repayable within 3 years from the date of payment, with the earliest repayment commencing in January 2028.
4. The amount involves a loan of RMB1,250,000. It bears an interest rate of 12% per annum, is unsecured, with interest payable annually and the principal thereof is payable at maturity in one lump sum, and repayable in January 2028.
5. The amount involves a loan of RMB150,000. It bears an interest rate of 8% per annum, is unsecured, with interest payable annually and the principal thereof is payable at maturity in one lump sum, and repayable in April 2029.

MANAGEMENT DISCUSSION AND ANALYSIS

6. The amount involves a loan of RMB1,500,000. It bears an interest rate of 8% per annum, is unsecured, with interest payable annually and the principal thereof is payable at maturity in one lump sum, and repayable in May 2028.

Except as disclosed above, there are no other obligations arising under Rule 13.16 of the Listing Rules.

Pursuant to Rule 13.22 of the Listing Rules, a combined statement of financial position of the affiliated companies with financial assistance from the Group and the Group's attributable interests in those affiliated companies as at 30 June 2026 are presented as follows:

Chengdu Bangtai

	Combined statement of financial position (RMB'000)	The Group's attributable interests (RMB'000)
Non-current assets	21	10
Current assets	392,514	196,257
Current liabilities	(326,678)	(163,339)
Total assets less current liabilities	65,857	32,928
Non-current liabilities	(70,200)	(35,100)
Net liabilities	(4,343)	— *

*Note: The Group's attributable interests in affiliated companies are accounted for based on the investment cost plus the Group's subsequent share of net profit or loss. As Chengdu Bangtai recorded net liabilities at the end of the Reporting Period, the carrying amount of the relevant investment has been written down to nil in accordance with the relevant provisions of IAS 28, and accordingly the Group's attributable interest is nil.

Sichuan Huishang Taifu Commercial Management Co., Ltd.* (四川匯商泰富商業管理有限公司)

	Combined statement of financial position (RMB'000)	The Group's attributable interests (RMB'000)
Non-current assets	7,909	3,954
Current assets	1,639	819
Current liabilities	(10,115)	(5,058)
Total assets less current liabilities	(567)	(285)
Non-current liabilities	—	—
Net liabilities	(567)	— *

Note: The Group's attributable interests in affiliated companies are accounted for based on the investment cost plus the Group's subsequent share of net profit or loss. As Sichuan Huishang Taifu Commercial Management Co., Ltd. (四川匯商泰富商業管理有限公司) recorded net liabilities at the end of the Reporting Period, the carrying amount of the relevant investment has been written down to nil in accordance with the relevant provisions of IAS 28, and accordingly the Group's attributable interest is nil.

MANAGEMENT DISCUSSION AND ANALYSIS

Sichuan Ruihong Shiji Commercial Management Co., Ltd.* (四川瑞泓世紀商業管理有限公司)

	Combined statement of financial position (RMB'000)	The Group's attributable interests (RMB'000)
Non-current assets	5,526	2,763
Current assets	1,742	871
Current liabilities	(6,803)	(3,402)
Total assets less current liabilities	465	232
Non-current liabilities	—	—
Net assets	465	232

Sichuan Huasheng Hongxin Commercial Management Co., Ltd.* (四川華盛泓鑫商業管理有限公司)

	Combined statement of financial position (RMB'000)	The Group's attributable interests (RMB'000)
Non-current assets	1,143	114
Current assets	1,034	103
Current liabilities	(1,653)	(165)
Total assets less current liabilities	524	52
Non-current liabilities	—	—
Net assets	524	52

Sichuan Yuhong Times Commercial Management Co., Ltd.* (四川宇泓時代商業管理有限公司)

	Combined statement of financial position (RMB'000)	The Group's attributable interests (RMB'000)
Non-current assets	11,620	3,486
Current assets	2,233	670
Current liabilities	(13,977)	(4,193)
Total assets less current liabilities	(124)	(37)
Non-current liabilities	—	—
Net liabilities	(124)	—*

Note: The Group's attributable interests in affiliated companies are accounted for based on the investment cost plus the Group's subsequent share of net profit or loss. As Sichuan Yuhong Times Commercial Management Co., Ltd. (四川宇泓時代商業管理有限公司) recorded net liabilities at the end of the Reporting Period, the carrying amount of the relevant investment has been written down to nil in accordance with the relevant provisions of IAS 28, and accordingly the Group's attributable interest is nil.

MANAGEMENT DISCUSSION AND ANALYSIS

The combined statement of financial position of the affiliated companies was prepared by combining their statements of financial position as at 30 June 2026, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classifications in the statement of financial position.

Events After the Reporting Period

Chengdu Desun Real Estate Investment Enterprise Management Group Co., Ltd.* (“**Desun Enterprise Management**”), a wholly-owned subsidiary of the Company, received a bid award notice on 23 June 2026 confirming that it had successfully won the bid for the Hongcang Huatian Mansion Project (the “**Project**”). As the successful bidder, Desun Enterprise Management will follow the industry positioning and be responsible for investment promotion and leasing, operations and the introduction of industries, with a commitment to developing this property into a functional industrial park that is market-leading, brand-influential and industry-driving.

Desun Enterprise Management entered into the lease agreement with Chengdu Huatian Culture Tourism Development Co., Ltd.* (成都華天文化旅遊開發有限責任公司) on 15 July 2026. The lease term for the Project shall be 15 years (180 months) commencing on the formal handover date of the leased property, which includes a rent-free period of 12 months for the fit-out. The rent-charging period shall be 14 years. For details, please refer to the announcement of the Company dated 23 June 2026 and the circular of the Company dated 15 July 2026.

Save as disclosed in this report, there were no material events subsequent to the Reporting Period and up to the date of approval of the unaudited interim condensed consolidated financial information.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company's corporate governance practices are based on the principles as set out in the CG Code.

The Company has adopted the principles and code provisions as set out in Part 2 of Appendix C1 to the Listing Rules and complied with the applicable code provisions contained in Part 2 of Appendix C1 to the Listing Rules throughout the Reporting Period except for code provision C.2.1.

Currently, Mr. Zhang Zhicheng serves as both the chairman of the Board and the CEO, and such practice deviates from the code provision C.2.1 of the CG Code which states that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Nevertheless, the Board believes that Mr. Zhang's extensive experience and knowledge in the real estate and property management industry, who has guided the Group to complete the initial public offering in December 2021, together with the support of the management, will provide solid and consistent leadership for the Group. Therefore, the Board considers that the deviation from the code provision C.2.1 of the CG Code is appropriate under such circumstances.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by its Directors and employees (the "**Securities Dealing Code**").

The Company has made specific enquiry of all Directors as to whether they have complied with the required standard as set out in the Model Code during the Reporting Period and all Directors confirmed that they have complied with the Model Code and the Securities Dealing Code throughout the Reporting Period.

INTERIM DIVIDEND

The Board did not recommend the payment of any interim dividend for the six months ended 30 June 2026.

CHANGES TO INFORMATION ON DIRECTORS AND SENIOR MANAGEMENT

Following specific enquiries made by the Company and confirmations from the Directors and chief executive, no changes in the information of any Directors and chief executive that are required to be disclosed pursuant to paragraphs (a) to (e) and paragraph (g) of Rule 13.51(2) of the Listing Rules are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2026, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were recorded in the register required to be kept pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Interests in Shares and underlying Shares of the Company

Name of Directors	Capacity/Nature of Interest	Total number of Shares/ underlying Shares held ⁽¹⁾	Approximate percentage of shareholding interest in the Company ⁽¹⁾
Mr. Zou Kang	Interest in controlled corporation; interest held jointly with another person ^{(2)&(3)}	412,415,000 (L)	66.49%
Mr. Zhang Zhicheng	Interest in controlled corporation ⁽⁴⁾	22,500,000 (L)	3.63%
Ms. Wan Hong	Beneficial owner; beneficiary of a trust ⁽⁵⁾	3,540,037 (L)	0.57%
Mr. Shao Jiazhen	Beneficial owner; beneficiary of a trust ⁽⁶⁾	6,128,155 (L)	0.99%
Mr. Liu Jun	Beneficial owner; beneficiary of a trust ⁽⁷⁾	6,128,155 (L)	0.99%
Ms. Zhu Na	Beneficiary of a trust ⁽⁸⁾	7,440,000 (L)	1.20%

Notes:

- (1) As at 30 June 2026, the Company had issued 620,259,200 Shares in total. The letter "L" denotes the person's long position in the Shares.
- (2) On 11 May 2021, Mr. Zou Kang and Ms. Zou Jian entered into a concert parties confirmatory deed (the "**Concert Parties Confirmatory Deed**"), pursuant to which they reaffirmed that they had been acting in concert as shareholders of our Group before the date of the Concert Parties Confirmatory Deed, and shall continue the same thereafter. For further details, please refer to the paragraph headed "History, Reorganisation and Corporate Structure — Acting-in-concert arrangement" in the Prospectus. As such, pursuant to the acting-in-concert arrangement, as at 30 June 2026, each of the Controlling Shareholders, i.e. Sky Donna (being wholly owned by Mr. Zou Kang), Mr. Zou Kang, Pengna Holding (being wholly owned by Ms. Zou Jian) and Ms. Zou Jian, is deemed to be interested in 66.49% of the issued share capital of the Company.
- (3) As at 30 June 2026, the 412,415,000 Shares in which Mr. Zou Kang is interested consist of (i) 395,135,000 Shares held by Sky Donna, a company wholly owned by Mr. Zou Kang, in which Mr. Zou Kang is deemed to be interested under the SFO; and (ii) 17,280,000 Shares in which Mr. Zou Kang is deemed to be interested as a result of being a party acting in concert with Ms. Zou Jian pursuant to the Concert Parties Confirmatory Deed.

CORPORATE GOVERNANCE AND OTHER INFORMATION

- (4) As at 30 June 2026, these 22,500,000 Shares are held by Zhiyu Holding Limited, the issued shares of which are wholly owned by Mr. Zhang Zhicheng. Under the SFO, Mr. Zhang Zhicheng will be taken to be interested in the Shares held by Zhiyu Holding Limited.
- (5) As at 30 June 2026, Ms. Wan Hong is interested in 3,540,037 Shares, including 2,051,415 Shares she held and 1,488,622 awarded Shares she was granted which are subject to a vesting period of three years from the date of grant.
- (6) As at 30 June 2026, Mr. Shao Jiazhen is interested in 6,128,155 Shares, including 3,895,222 Shares he held and 2,232,933 awarded Shares he was granted which are subject to a vesting period of three years from the date of grant.
- (7) As at 30 June 2026, Mr. Liu Jun is interested in 6,128,155 Shares, including 3,895,222 Shares he held and 2,232,933 awarded Shares he was granted which are subject to a vesting period of three years from the date of grant.
- (8) As at 30 June 2026, Ms. Zhu Na is interested in 7,440,000 Shares, including 7,440,000 awarded Shares she was granted which are subject to a vesting period of three years from the date of grant.

Interests in Shares and underlying Shares of the Company's associated corporations

Name of Director	Capacity/Nature of Interest	Associated corporation	Total number of Shares/ underlying Shares held ^(Note)	Approximate percentage of interest in the associated corporation as at the end of the Reporting Period
Mr. Zou Kang	Beneficial owner	Sky Donna	1 (L)	100%

Note: The letter "L" denotes the person's long position in the share(s) of the associated corporation.

Save as disclosed above, as at 30 June 2026, none of the Directors or the chief executive of the Company had or were deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2026, to the best knowledge of the Directors or chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to section 336:

Name of Shareholder	Capacity/Nature of Interest	Total number of Shares/ underlying Shares held ⁽¹⁾	Approximate percentage of shareholding interest in the Company
Sky Donna	Beneficial owner; interest held jointly with another person ^{(2)&(3)}	412,415,000 (L)	66.49%
Ms. Zou Jian	Interest in controlled corporation; interest held jointly with another person ⁽⁴⁾	412,415,000 (L)	66.49%
Pengna Holding	Beneficial owner; interest held jointly with another person ⁽⁴⁾	412,415,000 (L)	66.49%
Futu Trustee Limited	Trustee ⁽⁵⁾	49,620,736 (L)	8.00%

Notes:

- (1) As at 30 June 2026, the Company had issued 620,259,200 Shares in total. The letter "L" denotes the person's long position in the Shares.
- (2) On 11 May 2021, Mr. Zou Kang and Ms. Zou Jian entered into the Concert Parties Confirmatory Deed, pursuant to which they reaffirmed that they had been acting in concert as shareholders of our Group before the date of the Concert Parties Confirmatory Deed, and shall continue the same thereafter. For further details, please refer to the paragraph headed "History, Reorganisation and Corporate Structure — Acting-in-concert arrangement" in the Prospectus. As such, pursuant to the acting-in-concert arrangement, as at 30 June 2026, each of the Controlling Shareholders, i.e. Sky Donna (being wholly owned by Mr. Zou Kang), Mr. Zou Kang, Pengna Holding (being wholly owned by Ms. Zou Jian) and Ms. Zou Jian, is deemed to be interested in 66.49% of the issued share capital of the Company.
- (3) The 412,415,000 Shares in which Sky Donna is interested consist of (i) 395,135,000 Shares held by Sky Donna; and (ii) 17,280,000 Shares in which Sky Donna is deemed to be interested as a result of the Concert Parties Confirmatory Deed entered into between Mr. Zou Kang and Ms. Zou Jian.
- (4) The 412,415,000 Shares in which Ms. Zou Jian is interested consist of (i) 17,280,000 Shares held by Pengna Holding, a company wholly owned by Ms. Zou Jian, in which Ms. Zou Jian is deemed to be interested under the SFO; and (ii) 395,135,000 Shares held by Sky Donna in which Ms. Zou Jian is deemed to be interested as a result of being a party acting in concert with Mr. Zou Kang pursuant to the Concert Parties Confirmatory Deed.
- (5) Based on the disclosure of interest, Futu Trustee Limited held 49,620,736 Shares as the trustee of the share award scheme of the Company.

Save as disclosed above, as at 30 June 2026, the Company had not been notified by any other persons (other than the Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO or which were required to be entered in the register to be kept by the Company pursuant to Section 336 of the SFO.

CORPORATE GOVERNANCE AND OTHER INFORMATION

AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION

On 26 June 2026, the Shareholders approved the amendments to the memorandum and articles of association of the Company at the annual general meeting, and adopted the third amended and restated memorandum and articles of association. For details, please refer to the circular of the Company dated 1 June 2026 and the announcement of the Company dated 26 June 2026.

PRE-IPO SHARE OPTION SCHEME

The Company adopted the Pre-IPO Share Option Scheme on 27 April 2021. For details of the terms of the Pre-IPO Share Option Scheme, please refer to Appendix V in the Prospectus. After the Listing, no further options could be granted under the Scheme, therefore no options could be granted under the scheme mandate and service provider sub-limit at the beginning and the end of the Reporting Period. At the beginning of the Reporting Period, all options granted under the Pre-IPO Share Option Scheme had either vested or lapsed, and there were no unvested options.

SHARE AWARD SCHEME

The Share Award Scheme is funded solely by the existing Shares and does not involve the issue of new Shares. The Share Award Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including the sale of treasury shares (as defined in the Listing Rules)). As at 30 June 2026, the Company did not have any treasury shares (as defined in the Listing Rules).

USE OF NET PROCEEDS FROM LISTING

The Company was listed on the Main Board of the Stock Exchange on 17 December 2021 and the over-allotment option was partially exercised on 6 January 2022. After deducting underwriting fees and commissions and relevant expenses, net proceeds from the Listing amounted to approximately HKD176.1 million (the “**Net Proceeds**”).

The Board has resolved on 30 August 2023 to (i) change the intended use of Net Proceeds for “strategic investments and acquisitions to expand the Group's property management and commercial operational businesses” to “strategic investments and acquisitions to expand the Group's property management and commercial operational businesses, office building and community operation and management and home furnishing and decoration services”; and (ii) revise the intended timetable for use of the unutilized Net Proceeds. For further details, please refer to the announcement of the Company dated 30 August 2023.

The Board resolved on 18 December 2024 to (i) change the intended use of Net Proceeds above to “strategic investments and acquisitions to expand the Group's business scope and scale”; (ii) include a category of “strategic spending to facilitate the expansion and development of the Group's business” for the intended use of Net Proceeds; (iii) change “recruiting and cultivating talents, including management and professionals for our principal business” to “recruiting and cultivating talents, including but not limited to management and professionals for the Group's principal business, and the personnel incentives of the Group (including but not limited to Share Award Scheme)”; (iv) reallocate relevant Net Proceeds, specifically, 30% towards strategic spending, 10% towards recruiting and cultivating talents and the personnel incentives and 10% towards working capital and for general corporate uses; and (v) revise the intended timetable for use of the unutilized Net Proceeds. For further details, please refer to the announcement of the Company dated 18 December 2024.

CORPORATE GOVERNANCE AND OTHER INFORMATION

The following table shows the utilisation of Net Proceeds during the Reporting Period:

Intended use of Net Proceeds	Allocation of Net Proceeds (HK\$ million)	Percentage of total Net Proceeds	Amount of Net Proceeds		Amount of Net Proceeds unutilized as at 30 June 2026 (HK\$ million)	Intended timetable for use of the unutilized Net Proceeds
			unutilized Net Proceeds as at 1 January 2026 (HK\$ million)	utilized during the Reporting Period (HK\$ million)		
(i) Strategic investments and acquisitions to expand the Group's business scope and scale	35.22	20%	20.44	2.39	18.05	December 2027
(ii) Strategic spending to facilitate the expansion and development of the Group's business	52.83	30%	44.54	8.68	35.86	December 2027
(iii) Investing in information technology systems and human resources to support information technology systems	17.61	10%	7.05	2.15	4.90	December 2027
(iv) Recruiting and cultivating talents, including but not limited to management and professionals for the Group's principal business, and the personnel incentives of the Group (including but not limited to Share Award Scheme)	35.22	20%	13.24	3.41	9.83	December 2026
(v) Working capital and for general corporate uses	35.22	20%	—	—	—	N/A
Total	<u>176.10</u>	<u>100%</u>	<u>85.27</u>	<u>16.63</u>	<u>68.64</u>	

The Company has utilized, and will continue to utilize the Net Proceeds from the Global Offering in accordance with the intended purposes as set out in the Prospectus and the announcement of the Company dated 18 December 2024.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Yan Hong, Mr. Chen Di and Mr. Fang Liqiang. The chairman of the Audit Committee is Mr. Yan Hong.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters, including a review of the interim report and the unaudited interim financial information for the six months ended 30 June 2026.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



TO THE BOARD OF DIRECTORS OF DESUN REAL ESTATE INVESTMENT SERVICES GROUP CO., LTD.

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim condensed consolidated financial statements set out on pages 31 to 60, which comprise the interim condensed consolidated statement of financial position of Desun Real Estate Investment Services Group Co., Ltd. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as at 30 June 2026 and the related interim condensed consolidated statement of profit or loss and other comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended, and notes to interim condensed consolidated financial statements, including material accounting policy information (the “Interim Condensed Consolidated Financial Statements”). The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IAS 34”). The directors are responsible for the preparation and presentation of the Interim Condensed Consolidated Financial Statements in accordance with IAS 34. Our responsibility is to express a conclusion on the Interim Condensed Consolidated Financial Statements based on our review. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

BDO Limited

Certified Public Accountants

Chau Ho Kit

Practising Certificate Number P08363

Hong Kong, 28 August 2026

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2026

For the six months ended 30 June			
	Notes	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Revenue	4	250,499	228,032
Cost of sales		(209,138)	(180,248)
Gross profit		41,361	47,784
Other income and gains or losses, net	5	3,362	5,050
Administrative expenses		(33,916)	(20,409)
Provision for impairment losses on trade receivables, net	7	(8,481)	(7,468)
Reversal/(provision) for impairment losses on deposits and other receivables, net	7	248	(1,000)
Impairment loss on other intangible assets	11	(546)	—
Share of (loss)/profit of associates		(3,120)	5,474
Share of loss of a joint venture		(175)	—
Other expenses		(711)	(446)
Finance costs	6	(7,101)	(7,373)
(Loss)/profit before income tax	7	(9,079)	21,612
Income tax expense	8	(590)	(1,859)
(Loss)/profit for the period		(9,669)	19,753
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of financial statements of foreign operations		147	—
(Loss)/profit and total comprehensive income for the period		(9,522)	19,753
(Loss)/profit for the period attributable to:			
— Owners of the Company		(10,442)	16,699
— Non-controlling interests		773	3,054
		(9,669)	19,753
(Loss)/profit and total comprehensive income for the period attributable to:			
— Owners of the Company		(10,295)	16,699
— Non-controlling interests		773	3,054
		(9,522)	19,753
(Loss)/earnings per share attributable to owners of the company during the period			
— Basic	10	RMB(1.87) cents	RMB3.02 cents
— Diluted	10	RMB(1.87) cents	RMB3.01 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current assets			
Property and equipment	11	89,553	93,954
Investment properties	11	203,477	211,504
Right-of-use assets		2,950	3,556
Other intangible assets	11	8,179	6,918
Goodwill		9,179	9,179
Investment in associates		27,119	30,489
Investment in a joint venture		255	430
Financial assets at fair value through profit or loss	14	17,694	4,433
Deferred tax assets		8,537	7,291
Prepayments, deposits and other receivables	13	12,949	8,768
Restricted deposits	15	28,395	2,421
Total non-current assets		408,287	378,943
Current assets			
Inventories	18	12,964	13,002
Trade receivables	12	197,625	169,322
Prepayments, deposits and other receivables	13	176,148	192,597
Cash and cash equivalents	15	111,462	178,581
Total current assets		498,199	553,502
Current liabilities			
Contract liabilities		67,813	76,765
Trade payables	16	45,947	40,636
Other payables and accruals	17	132,736	135,903
Bank borrowings	19	68,800	53,400
Lease liabilities		17,999	17,514
Tax payable		4,153	9,787
Total current liabilities		337,448	334,005
Net current assets		160,751	219,497
Total assets less current liabilities		569,038	598,440

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-current liabilities			
Other payables and accruals	17	16,393	22,771
Contract liabilities		436	735
Lease liabilities		209,975	219,940
Bank borrowings	19	21,600	28,800
Deferred tax liabilities		505	562
		<u>248,909</u>	<u>272,808</u>
Total non-current liabilities			
		<u>248,909</u>	<u>272,808</u>
Net assets		<u>320,129</u>	<u>325,632</u>
Equity			
Share capital	20	393	393
Shares held for the Share Award Scheme		(74,600)	(74,600)
Reserves		385,394	387,414
		<u>311,187</u>	<u>313,207</u>
Equity attributable to owners of the Company		311,187	313,207
Non-controlling interests		8,942	12,425
		<u>320,129</u>	<u>325,632</u>
Total equity		<u>320,129</u>	<u>325,632</u>

Zhang Zhicheng

Director

Wan Hong

Director

The above interim condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	Attributable to owners of the Company										
										Non-controlling interests	Total equity
	Shares held for the Share		Share premium*	Capital reserve*	Statutory surplus reserve*	Share option reserve*	Foreign exchange reserve*	Retained profits*			
	Share capital	Award Scheme									
	RMB'000	RMB'000									
(Note 20)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2026 (audited)	393	(74,600)	117,220	25,425	25,501	7,836	22	211,410	313,207	12,425	325,632
Comprehensive income for the period	—	—	—	—	—	—	—	(10,442)	(10,442)	773	(9,669)
Loss for the period	—	—	—	—	—	—	—	(10,442)	(10,442)	773	(9,669)
Other comprehensive income	—	—	—	—	—	—	147	—	147	—	147
Total comprehensive income for the period	—	—	—	—	—	—	147	(10,442)	(10,295)	773	(9,522)
Equity-settled share option arrangements (Note 22)	—	—	—	—	—	8,275	—	—	8,275	—	8,275
Transfer from retained profits	—	—	—	—	234	—	—	(234)	—	—	—
Capital contribution by the non-controlling interests	—	—	—	—	—	—	—	—	—	135	135
Elimination of non-controlling interests on disposal of subsidiaries	—	—	—	—	—	—	—	—	—	(7)	(7)
Dividend paid by a subsidiary to non-controlling Shareholders	—	—	—	—	—	—	—	—	—	(4,384)	(4,384)
Balance at 30 June 2026 (unaudited)	393	(74,600)	117,220	25,425	25,735	16,111	169	200,734	311,187	8,942	320,129
Balance at 1 January 2025 (audited)	393	(81,812)	117,220	25,125	25,087	2,142	—	180,560	268,715	5,387	274,102
Profit and total comprehensive income for the period	—	—	—	—	—	—	—	16,699	16,699	3,054	19,753
Exercise of share option (Note 22)	—	7,212	(2,075)	—	—	(1,887)	—	—	3,250	—	3,250
Equity-settled share option arrangements	—	—	—	—	—	2,388	—	—	2,388	—	2,388
Transfer from retained profits	—	—	—	—	2,073	—	—	(2,073)	—	—	—
Dividend paid by a subsidiary to non-controlling shareholders	—	—	—	—	—	—	—	—	—	(1,655)	(1,655)
Balance at 30 June 2025 (unaudited)	393	(74,600)	115,145	25,125	27,160	2,643	—	195,186	291,052	6,786	297,838

* These reserve accounts comprise the consolidated reserves of RMB385,394,000 and RMB387,414,000 in the interim condensed consolidated statements of financial position as at 30 June 2026 and 31 December 2025, respectively.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2026

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Net cash used in operating activities	(72,221)	(12,508)
Cash flows from investing activities		
Additions of property and equipment	(6,601)	(1,366)
Additions of investment properties	(2,022)	—
Additions of other intangible assets	(3,375)	(107)
Capital injection into an associate	(100)	(500)
Proceeds from disposal of an associate	350	—
Purchase of financial assets at fair value through profit or loss	(282,709)	—
Proceeds from disposal of financial assets at fair value through profit or loss	268,868	—
Repayment of loan received from an associate	45,000	—
Loans to associates	—	(2,000)
Net cash generated from/(used in) investing activities	19,411	(3,973)
Cash flows from financing activities		
Repayment of the non-controlling shareholders loans	(2,492)	(3,328)
Dividend paid by a subsidiary to non-controlling shareholders	(4,384)	(1,655)
Proceeds from exercise of options (Note 22)	—	3,250
Repayments of principal portion of the lease liabilities	(9,480)	(6,092)
Interest paid on lease liabilities	(4,833)	(5,549)
Proceeds from bank borrowings	13,000	75,000
Repayment of bank borrowings	(4,800)	(500)
Capital contribution by the non-controlling interests	135	—
Interest paid	(1,455)	(1,568)
Net cash (used in)/generated from financing activities	(14,309)	59,558
Net (decrease)/increase in cash and cash equivalents	(67,119)	43,077
Cash and cash equivalents at beginning of the period	178,581	169,084
Cash and cash equivalents at end of the period	111,462	212,161

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

1. BASIS OF PREPARATION

The interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” as issued by the International Accounting Standards Board (the “IASB”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The interim condensed consolidated financial statements and notes thereon do not include all of the information required for a complete set of financial statements prepared in accordance with the IFRS Accounting Standards and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2025.

The interim condensed consolidated financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousands, unless otherwise stated.

In the opinion of the directors of the Company, the holding and the ultimate holding company of the Company is Sky Donna Holding Limited, which is incorporated in the British Virgin Islands (“BVI”). Mr. Zou Kang and Ms. Zou Jian are collectively the ultimate controlling shareholders of the Company (the “Ultimate Controlling Shareholders”).

2. ADOPTION OF AMENDMENTS TO IFRS ACCOUNTING STANDARDS

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following revised IFRS Accounting Standards for the first time for the current period.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity

The application of these amendments to IFRS Accounting Standards in the current interim period has had no material impact to the Group’s financial position and performance for the current and prior periods and/or on the disclosures set out in the interim condensed consolidated financial statements.

NOTES TO INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

For the six months ended 30 June 2026

3. OPERATING SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segment has been identified as executive directors of the Company.

For management purposes, the Group is organised into business units based on their services and has three reportable operating segments as follows:

- (a) Property services segment, which mainly includes property management services and other value-added services and sale of carparks;
- (b) Asset operation service segment, which includes office building sublease services, commercial operational services, commercial property management and other related services and e-commerce live streaming services; and
- (c) Investment and development segment, which includes home furnishing, home refurbishment, decoration services and others.

The CODM assesses the performance of the operating segments based on segment (loss)/profit. There were no separate segment assets and segment liabilities information provided to the CODM, as the CODM does not use this information to allocate resources or to evaluate the performance of the operating segment.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

3. OPERATING SEGMENT INFORMATION *(continued)*

For the six months ended 30 June 2026

	Property Services RMB'000 (Unaudited)	Asset Operation Services RMB'000 (Unaudited)	Investment and Development RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue (Note 4)				
Sales to external customers	153,082	85,976	11,441	250,499
Intersegment sales	461	491	—	952
Total segment revenue	153,543	86,467	11,441	251,451
<i>Reconciliation:</i>				
Elimination of intersegment sales				(952)
Revenue				<u>250,499</u>
Segment results	<u>31,954</u>	<u>(7,130)</u>	<u>(2,021)</u>	22,803
<i>Reconciliation:</i>				
Interest income				2,568
Foreign exchange and other unallocated loss				(1,524)
Share of loss of associates and a joint venture				(3,295)
Corporate and other unallocated expenses:				
— Auditors' remuneration				(300)
— Salaries and retirement benefit scheme				(7,451)
— Equity-settled share option expenses, net				(8,275)
— Other professional fee				(1,789)
— Advertising expenses				(3,561)
— Unallocated expenses				<u>(8,255)</u>
(Loss)/profit before income tax				<u>(9,079)</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

For the six months ended 30 June 2026

3. OPERATING SEGMENT INFORMATION *(continued)*

For the six months ended 30 June 2025

	Property Services RMB'000 (Unaudited)	Asset Operation Services RMB'000 (Unaudited)	Investment and Development RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
Segment revenue (Note 4)				
Sales to external customers	140,114	80,148	7,770	228,032
Intersegment sales	<u>770</u>	<u>—</u>	<u>—</u>	<u>770</u>
Total segment revenue	<u>140,884</u>	<u>80,148</u>	<u>7,770</u>	<u>228,802</u>
<i>Reconciliation:</i>				
Elimination of intersegment sales				<u>(770)</u>
Revenue				<u><u>228,032</u></u>
Segment results	<u>19,968</u>	<u>11,829</u>	<u>(520)</u>	<u>31,277</u>
<i>Reconciliation:</i>				
Interest income				1,520
Foreign exchange and other unallocated gains				919
Share of profit of associates				5,474
Corporate and other unallocated expenses:				
— Auditors' remuneration				(300)
— Salaries and retirement benefit scheme				(5,234)
— Equity-settled share option expenses, net				(2,388)
— Other professional fee				(2,191)
— Advertising expenses				(1,041)
— Unallocated expenses				<u>(6,424)</u>
Profit before income tax				<u><u>21,612</u></u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

3. OPERATING SEGMENT INFORMATION *(continued)*

For the six months ended 30 June 2025 *(continued)*

Geographical information

During the reporting period, the Group principally operated within one geographical location because majority of its revenue was generated in the PRC and majority of its long-term assets/capital expenditure were located/incurred in the PRC. Accordingly, no geographical information is presented.

Information about a major customer

For the six months ended 30 June 2026 and 30 June 2025, there were no customers with whom transactions have exceeded 10% of the Group's revenue.

4. REVENUE

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
<i>Revenue from contracts with customers</i>	225,118	199,060
<i>Revenue from other sources</i>		
Gross rental income from investment property operating leases under sublease arrangement	25,381	28,972
Total revenue	250,499	228,032

NOTES TO INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

For the six months ended 30 June 2026

4. REVENUE (continued)

Disaggregated revenue information:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Property Services segment:		
— Property management services and other value-added services	153,082	137,184
— Sale of carparks	—	2,930
Subtotal	153,082	140,114
Asset Operation Services segment:		
— Commercial operation and management	19,847	28,628
— Office building and community operation and management	12,491	12,583
— E-commerce live streaming services	28,257	9,965
— Revenue from other sources	25,381	28,972
Subtotal	85,976	80,148
Investment and Development segment:		
— Home furnishing, home decoration, refurbishment services and others	11,441	7,770
Total	250,499	228,032

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Timing of revenue recognition		
Goods transferred at a point in time	1,288	3,022
Services transferred over time	196,161	181,926
Services transferred at a point in time	27,669	14,112
Total revenue from contracts with customers	225,118	199,060

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

5. OTHER INCOME AND GAINS OR LOSSES, NET

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other income		
Government grants	139	1,145
Additional input value-added tax deduction	—	58
Bank and other interest income	2,568	1,520
Compensation received	2,031	2,501
Others	334	106
	<u>5,072</u>	<u>5,330</u>
Total other income	5,072	5,330
Other gains or (losses), net		
Fair value change on financial assets at fair value through profit or loss	(580)	—
Losses on exchange difference, net	(1,130)	(280)
	<u>(1,710)</u>	<u>(280)</u>
Total other losses, net	(1,710)	(280)
Total other income and gains or (losses), net	3,362	5,050

6. FINANCE COSTS

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on lease liabilities	4,833	5,549
Interest on bank borrowings	1,455	914
Interest on non-controlling shareholders' loans	813	654
Interest on associate's loans	—	256
	<u>7,101</u>	<u>7,373</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

7. (LOSS)/PROFIT BEFORE INCOME TAX

The Group's (loss)/profit before income tax is arrived at after charging:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Cost of services provided	209,138	177,315
Cost of goods sold	—	2,933
Auditors' remuneration	300	300
Lease payments not included in the measurement of lease liabilities	7,220	6,890
Provision for impairment losses on trade receivables, net	8,481	7,468
(Reversal)/provision for impairment losses on deposits and other receivables, net	(248)	1,000
Impairment loss on other intangible assets	546	—
Provision for impairment of investment in associates	—	1,096
Equity-settled share option expense, net of reversal (included in directors' and chief executive's remuneration)	8,275	2,388
Direct operating expenses arising from investment properties	628	1,259

8. INCOME TAX EXPENSE

The income tax expense in the interim condensed consolidated statement of profit or loss and other comprehensive income represents:

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Current Enterprise Income Tax — the PRC — charge for the period	1,893	3,700
Deferred tax	(1,303)	(1,841)
Income tax expense	590	1,859

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly is not subject to income tax from the business carried out in the Cayman Islands.

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the reporting period and the six months ended 30 June 2025.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

8. INCOME TAX EXPENSE *(continued)*

Except for certain subsidiaries as described below, the PRC corporate income tax has been provided at the statutory tax rate of 25% on the taxable profits of the Group's PRC subsidiaries for the reporting period and the six months ended 30 June 2025.

According to the Circular on Issues Concerning Tax Policies for In-depth Implementation of Western Development Strategies, certain subsidiaries of the Company that are located in Sichuan Province and engaged in the encouraged business of property services management are entitled to a preferential CIT rate of 15%. Pursuant to the Circular of Extending the Period of Western Development Strategies Preferential Tax Rate (Cai Shui Fa [2020] No. 23), the tax preferential treatments were extended to 31 December 2030.

In addition, certain subsidiaries in the PRC are qualified as Small Low-profit Enterprises and thus entitled to a preferential income tax rate of 20% for the reporting period and the six months ended 30 June 2025.

9. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company for the current period and the six months ended 30 June 2025, nor has any dividend been proposed since the end of the reporting period.

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit for the period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period and adjusted for the effect of ordinary shares repurchased and the exercise of share options multiplied by a time-weighted factor. Diluted (loss)/earnings per share is calculated by dividing the (loss)/profit for the period attributable to owners of the Company by the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares. The calculations of basic and diluted (loss)/earnings per share are based on:

	For the six months ended 30 June	
	2026	2025
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
(Loss)/earnings		
(Loss)/profit for the period attributable to owners of the Company for the purposes of calculating basic and diluted (loss)/earnings per share	(10,442)	16,699

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY *(continued)*

	For the six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)
Number of shares		
Weighted average number of ordinary shares for the purposes of calculating basic (loss)/earnings per share	556,957,895	552,146,603
Effect of dilution — weighted average number of ordinary shares:		
— Share options	—	2,159,209
Weighted average number of ordinary shares for the purposes of calculating diluted (loss)/earnings per share	556,957,895	554,305,812

Diluted loss per share equals to basic loss per shares, as potentially dilutive items not included in the calculation of diluted loss per share for the period ended 30 June 2026 include the stock options that was anti-dilutive.

11. PROPERTY AND EQUIPMENT, INVESTMENT PROPERTIES AND OTHER INTANGIBLE ASSETS

	Property and equipment	Investment properties	Other intangible assets (Note)
	RMB'000	RMB'000	RMB'000
Carrying amounts at 1 January 2026 (audited)	93,954	211,504	6,918
Additions	6,601	2,022	3,375
Depreciation/amortisation provided during the period	(11,002)	(10,049)	(1,568)
Impairment	—	—	(546)
Carrying amounts at 30 June 2026 (unaudited)	89,553	203,477	8,179

Note:

During the six months ended 30 June 2026, the Group acquired crypto assets at an aggregate cost of approximately USD458,450 (equivalent to approximately RMB3,122,000). The crypto assets are held for investment and treasury-management purposes and are accounted for as intangible assets under IAS 38. They are measured using the cost model at cost less impairment losses. Their recoverable amount is determined based on fair value less costs of disposal, using quoted prices in active markets classified as Level 1 fair value inputs.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

12. TRADE RECEIVABLES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Related parties (Note 21(b))	59,386	45,764
Third parties	167,430	144,268
Impairment losses, net	(29,191)	(20,710)
	<u>197,625</u>	<u>169,322</u>

An ageing analysis of the trade receivables as at the end of the reporting period, based on the demand note issue date and net of provision for impairment of trade receivables, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 1 year	126,151	118,429
1 to 2 years	44,063	38,685
2 to 3 years	21,776	8,468
Over 3 years	5,635	3,740
	<u>197,625</u>	<u>169,322</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

For the six months ended 30 June 2026

13. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
<i>Current portion:</i>			
Due from related parties	21(b)	80,391	132,666
Deposits	(a)	40,366	16,491
Staff advances		2,749	936
Property management costs recoverable from residents		21,546	17,276
Payments on behalf of residents	(b)	1,197	1,495
Cash in transit		2,328	5,655
Other receivables		9,485	7,882
Prepaid expenses		21,819	17,166
		<u>(3,733)</u>	<u>(6,970)</u>
		<u>176,148</u>	<u>192,597</u>
<i>Non-current portion:</i>			
Due from related parties	21(b)	874	114
Deposits		—	2,957
Prepaid expenses		12,075	5,697
		<u>12,949</u>	<u>8,768</u>
		<u>189,097</u>	<u>201,365</u>

Notes:

- (a) The amounts mainly represented the refundable deposits paid for performance and project tendering deposits.
- (b) The amounts represented the amounts paid on behalf of residents to the utility service providers for the services provided.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Unlisted equity interests (note a)	4,433	4,433
Listed equity securities (note b)	12,535	—
Listed debt securities (note c)	726	—
	<u>17,694</u>	<u>4,433</u>

Notes:

- (a) The above unlisted equity investments represent equity instruments within the scope of IFRS 9. These investments are measured at fair value through profit or loss as the Group did not make the irrevocable election at initial recognition to present subsequent changes in fair value in other comprehensive income.

As at 30 June 2026, the balance represented a 15% unlisted equity interest in a private company incorporated in Hong Kong, and a 3.172% unlisted equity interest in a private company incorporated in the PRC.

- (b) The Group holds listed equity securities classified as financial assets measured at fair value through profit or loss ("FVTPL"), the fair value loss of RMB552,000 (2025: Nil) in respect of listed equity securities were recognised in other gains or (losses), net account under interim condensed consolidated statement of profit or loss and other comprehensive income for the current reporting period.
- (c) The Group holds listed debt securities classified at FVTPL, the fair value loss of RMB28,000 (2025: Nil) in respect of listed debt securities were recognised in other gains or (losses), net account under interim condensed consolidated statement of profit or loss and other comprehensive income for the current reporting period.

15. CASH AND CASH EQUIVALENTS/RESTRICTED DEPOSITS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Cash and bank balances	<u>139,857</u>	<u>181,002</u>
<i>Less:</i>		
Restricted deposits (Note a)	<u>(28,395)</u>	<u>(2,421)</u>
Cash and cash equivalents	<u>111,462</u>	<u>178,581</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

15. CASH AND CASH EQUIVALENTS/RESTRICTED DEPOSITS *(continued)*

As at 30 June 2026, other than the cash and bank balances denominated in HKD amounted to approximately RMB16,192,000 (31 December 2025: approximately RMB4,993,000) and in USD amounted to RMB13,825,000 (31 December 2025: approximately RMB18,918,000), the remaining cash and bank balances are denominated in RMB. The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, the Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.01% to 2.25% (2025: 0.01% to 2.92%). The bank balances are deposited with creditworthy banks with no recent history of default.

Note:

- (a) The restricted deposits primarily consist of guarantee deposits for contracts and restricted bank balances for bank borrowings.

16. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 3 months	34,203	22,975
3 to 12 months	3,417	2,743
Over 1 year	8,327	14,918
	<u>45,947</u>	<u>40,636</u>

The trade payables are non-interest-bearing and are normally settled on 90-day terms.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

17. OTHER PAYABLES AND ACCRUALS

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
<i>Current portion:</i>			
Due to related parties	21(b)	6,727	5,747
Other borrowings from related parties	21(b)	338	—
Payables for purchase of property and equipment		5,243	5,906
Receipts on behalf from community residents	(a)	18,013	12,902
Payroll and social insurance payables		34,343	45,312
Deposits received		27,276	27,855
Other tax payable		31,040	25,941
Other payables and accrued expenses		9,756	12,240
Sub-total		132,736	135,903
<i>Non-current portion:</i>			
Other borrowings from related parties	21(b)	16,393	22,771
Sub-total		16,393	22,771
Total		149,129	158,674

Note:

- (a) The amounts mainly represent the advances received on behalf from property owners and tenants for settlement of utility charges.

18. INVENTORIES

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Carparking spaces	9,754	9,530
Properties	3,381	3,381
Consumptive materials	—	262
	13,135	13,173
Less: provision for inventories	(171)	(171)
	12,964	13,002

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

18. INVENTORIES (continued)

As at 30 June 2026 and 31 December 2025, inventories were mainly carparking spaces and properties purchased from entities which the ultimate controlling shareholders of the Company have control, jointly control or significant influence ("Fellow Entities") and a third party and carparking spaces acquired in relation to debts settlement agreements with Fellow Entities.

19. BANK BORROWINGS

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Bank borrowings — Unsecured	(b)	29,400	32,700
Bank borrowings — Secured	(a)&(b)	61,000	49,500
Total	(c)	90,400	82,200
Bank borrowings			
On demand/within 1 year		68,800	53,400
More than 1 year but not more than 3 years		21,600	28,800
		90,400	82,200

Notes:

- (a) As at 30 June 2026 and 31 December 2025, the bank borrowings of the Group are secured by the properties of a third party debtor of the Group and the properties of the related company of ultimate controlling shareholder of the Group.
- (b) The bank borrowings are guaranteed by a subsidiary of the Company.
- (c) The effective interest rates on the Group's bank borrowings included the fixed rates within the range of 3.15% to 3.4% per annum (31 December 2025: within the range of 3.35% to 3.4% per annum).

20. SHARE CAPITAL

	Number of ordinary shares
Authorised:	
Ordinary shares of USD0.0001 each	
At 1 January 2025, 31 December 2025, 1 January 2026 (audited) and 30 June 2026 (unaudited)	2,000,000,000
	Number of shares
	Nominal value RMB'000
Issued and fully paid:	
At 1 January 2025, 31 December 2025, 1 January 2026 (audited) and 30 June 2026 (unaudited)	620,259,200
	393

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

20. SHARE CAPITAL (continued)

Shares held for Share Award Scheme

	Notes	Number of shares	RMB'000
At 1 January 2025		69,752,000	81,812
Less: shares transferred upon exercise of share options	(a)	(6,450,697)	(7,212)
At 31 December 2025, 1 January 2026 (audited) and 30 June 2026 (unaudited)	(b), (c)	63,301,303	74,600

Notes:

- (a) The decrease in 2025 represents 6,450,697 shares transferred by the trustee upon exercise of share options under the share award scheme.
- (b) During the six months ended 30 June 2026, no share options were exercised and no shares were purchased by the trustee under the share award scheme.
- (c) As at 30 June 2026, the total number of issued ordinary shares of the Company includes 63,301,303 shares (31 December 2025: 63,301,303 shares) held for the share award scheme by the trustees of the Company, representing approximately 10.21% (31 December 2025: 10.21%) of the issued share capital of the Company.

21. RELATED PARTY TRANSACTIONS AND BALANCES

(a) Transactions with related parties

Type of transaction	Related party relationship	Note	For the six months ended 30 June	
			2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Rendering of property management services and value-added services	Ultimate controlling shareholders' associated companies	(i)	9,800	15,831
Short-term lease payments for office premises	Key management personnel of the entity		1,981	1,673

Note:

- (i) These transactions were carried out in accordance with the terms and conditions mutually agreed by the parties involved.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

21. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(b) Balances with related parties

In addition to the balances detailed elsewhere in the interim condensed consolidated financial statements, the Group had the following balances with related parties as at the end of the reporting period:

Due from related parties

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade nature			
— Fellow Entities	(i)	59,386	45,764
Impairment	(ii)	(9,830)	(7,799)
		<u>49,556</u>	<u>37,965</u>
Non-trade nature			
— Fellow Entities	(iii)	9,132	10,741
— An associate	(iv)	72,133	115,773
— Non-controlling shareholder of subsidiaries	(v)	—	6,266
Less: impairment		<u>(1,359)</u>	<u>(2,165)</u>
		<u>79,906</u>	<u>130,615</u>
		<u>129,462</u>	<u>168,580</u>
Analysed into:			
— Current portion		128,588	168,466
— Non-current portion		<u>874</u>	<u>114</u>
		<u>129,462</u>	<u>168,580</u>

Notes:

- (i) Trade nature amounts due from the Fellow Entities represented the outstanding balances receivable in respect of the provision of property management services and property developer related services.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

21. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(b) Balances with related parties *(continued)*

Due from related parties (continued)

Notes: *(continued)*

- (ii) The movements in the loss allowance for impairment of trade receivables from Fellow Entities are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
At beginning of year/period	7,799	6,472
Provision for impairment losses, net	2,031	1,327
At end of year/period	9,830	7,799

- (iii) Non-trade amounts due from Fellow Entities mainly included:

- the refundable deposits, which are unsecured and interest free, in respect of non-residential property management contracts;
- the refundable deposits and earnest money, which are unsecured and interest-free, in respect of the long-term lease agreements under which the Group provides sub-lease services; and
- the prepaid lease payment.

- (iv) The non-trade loans receivable from an associate where represent a loan provided to an associate. Balance of RMB72,133,000 (2025: RMB115,773,000) represents principal amount of RMB70,103,000 (2025: RMB115,103,000) and accrued interest of RMB2,030,000 (2025: RMB670,000) is an unsecured loan bearing interest at the rate of 3.5% per annum and was due for repayment on 10 October 2026. The loan to associate was advanced to support its project development.
- (v) The non-trade loan receivable from the non-controlling shareholder of subsidiaries where the shareholder has significant influence over the subsidiary.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

21. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(b) Balances with related parties *(continued)*

Due to related parties

	Notes	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Non-trade nature:			
— Fellow Entities	(i)	6,727	5,747
— Non-controlling shareholders	(ii)	16,731	22,771
		<u>23,458</u>	<u>28,518</u>
Analysed into:			
— Current portion		7,065	5,747
— Non-current portion		16,393	22,771
		<u>23,458</u>	<u>28,518</u>

Notes:

- (i) The non-trade amounts due to the Fellow Entities are unsecured, interest-free and have no fixed terms of repayment.
- (ii) As at 30 June 2026, the Group had outstanding unsecured other borrowings from non-controlling shareholders of subsidiaries of the Company who are also the key management personnel of the Group with a contractual undiscounted amount of approximately RMB16,731,000 (31 December 2025: RMB22,771,000), of which RMB8,324,000 (31 December 2025: RMB9,780,000) were interest-free and due for repayment on 31 August 2028, of which RMB338,000 (31 December 2025: RMB662,000) with an annual interest rate of 12% and due for repayment in March 2027 and RMB8,069,000 (31 December 2025: RMB12,329,000) with an annual interest rate of 12% and due for repayment between March 2028 and June 2029.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

21. RELATED PARTY TRANSACTIONS AND BALANCES *(continued)*

(c) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2026 RMB'000 (Unaudited)	2025 RMB'000 (Unaudited)
Salaries, allowances and benefits in kind	1,497	1,486
Equity-settled share option expense, net	1,821	1,470
Pension scheme contributions	232	220
Total compensation paid to key management personnel	3,550	3,176

22. SHARE OPTION SCHEME

Movements in share options

The following share options were outstanding under the share award scheme during the period:

	2026		2025	
	Weighted average exercise price HKD	Number of options	Weighted average exercise price HKD	Number of options
At 1 January	0.688	62,394,963	0.546	16,126,739
Grant during the period/year	1.500	13,333,888	0.714	52,718,921
Forfeited during the period/year	0.856	(14,873,068)	—	—
Exercised during the period/year	—	—	0.546	(6,450,697)
At 30 June (unaudited)/ 31 December (audited)	0.825	60,855,783	0.688	62,394,963
Exercisable at the end period/year		4,838,021		4,838,021

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

22. SHARE OPTION SCHEME (continued)

Movements in share options (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

Number of share options	Exercise price per share HKD	Fair value per share HKD	Exercise period
4,838,021	0.546	0.618	22 December 2025 or after to 22 December 2033
4,838,021	0.546	0.602	22 December 2026 or after to 22 December 2033
7,752,000	0.598	0.734	31 March 2027 or after to 31 March 2033
5,814,000	0.598	0.797	31 March 2028 or after to 31 March 2033
5,814,000	0.598	0.838	31 March 2029 or after to 31 March 2033
13,335,568	0.782	0.587	31 March 2028 or after to 31 March 2033
6,667,785	0.782	0.704	31 March 2029 or after to 31 March 2033
3,538,917	1.500	2.568	31 March 2027 or after to 31 March 2033
3,538,916	1.500	2.064	31 March 2027 or after to 31 March 2033
4,718,555	1.500	1.881	31 March 2027 or after to 31 March 2033
<u>60,855,783</u>			

Share option expense

As at 22 December 2023, the fair value of the share options was HKD9,966,325 (HKD0.630, HKD0.618, HKD0.602 each per tranche), approximately RMB9,357,383, of which the Group recognised a share option expense of RMB602,000 (2025: RMB2,388,000) during six months ended 30 June 2026.

As at 14 July 2025, the fair value of the share options was HKD15,188,836 (HKD0.734, HKD0.797, HKD0.838), approximately RMB13,832,777, of which the Group recognised the net share option expense of RMB1,355,000, as the management has reassessed the share option scheme (2025: Nil) during six months ended 30 June 2026.

As at 21 July 2025, the fair value of the share options was HKD19,630,901 (HKD0.533, HKD0.587, HKD0.704), approximately RMB17,888,658, of which the Group recognised the net reversal of share option expense RMB1,085,000, as the management has reassessed the share option scheme (2025: Nil) during six months ended 30 June 2026.

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

22. SHARE OPTION SCHEME (continued)

Share option expense (continued)

As at 13 February 2026, the fair value of the share options was HKD28,562,059 (HKD2.568, HKD2.064, HKD1.881), approximately RMB25,359,396, of which the Group recognised the net share option expense of RMB7,403,000 (2025: Nil) during six months ended 30 June 2026.

Total share option expense of RMB8,275,000 (2025: RMB2,388,000) of which the Group was recognised during the period.

The fair value of equity-settled share options granted was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted.

The following table lists the inputs to the model used:

	2024		
Dividend yield (%)			4.58%
Historical volatility (%)			56.81%
Risk-free interest rate (%)			3.07%
Expected life of options (year)			10.00
Weighted average share price (HKD per share)			1.09

At grant date	14 July 2025	21 July 2025	13 February 2026
Discount for Lock-up Period (%)			
— Batch 1	17.88%	17.86%	0.00%
— Batch 2	17.88%	17.86%	13.00%
— Batch 3	17.88%	17.86%	17.80%
Historical volatility (%)			
— Batch 1	46.34%	39.88%	58.27%
— Batch 2	58.78%	44.26%	58.27%
— Batch 3	57.24%	58.86%	58.27%
Risk-free interest rate (%)			
— Batch 1	1.87%	1.81%	2.17%
— Batch 2	1.98%	1.91%	2.17%
— Batch 3	2.05%	1.99%	2.17%
Weighted average share price (HKD per share)	1.60	1.59	4.00

NOTES TO INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

For the six months ended 30 June 2026

23. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Financial assets:		
<i>Financial assets at amortised cost</i>		
Cash and cash equivalents	111,462	178,581
Financial assets included in deposits and other receivables	155,203	174,236
Trade receivables	197,625	169,322
Restricted deposits	28,395	2,421
	<u>492,685</u>	<u>524,560</u>
<i>Financial assets at FVTPL</i>	<u>17,694</u>	<u>4,433</u>
	<u>510,379</u>	<u>528,993</u>
Financial liabilities:		
<i>Financial liabilities at amortised cost</i>		
Trade payables	45,947	40,636
Financial liabilities included in other payables and accruals	38,457	46,664
Bank borrowings	90,400	82,200
	<u>174,804</u>	<u>169,500</u>
Financial instruments:		
Lease liabilities	<u>227,974</u>	<u>237,454</u>

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2026

24. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in deposits and other receivables, restricted deposits, financial liabilities included in trade payables, other payables and accruals, bank borrowings and lease liabilities are approximate to their carrying amounts.

The fair value of the non-current portion of other payables and accruals has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for the non-current portion of other payables and accruals as at 30 June 2026 were assessed to be insignificant.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. During the period ended 30 June 2026, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

25. FINANCIAL GUARANTEE

During the six months ended 30 June 2026, the Group issued a financial guarantee in favour of a bank in respect of banking facilities granted to Chengdu Bangtai Jincheng Real Estate Co., Ltd. (成都邦泰錦宸置業有限公司), an associate of the Group. The maximum exposure of the Group under the guarantee as at 30 June 2026 was RMB150,000,000 of which RMB70,200,000 outstanding as at 30 June 2026 (2025: Nil).

The financial guarantee contract is accounted for in accordance with IFRS 9. Management assessed both the fair value of the guarantee at initial recognition and the expected credit losses as at 30 June 2026, taking into account the financial position of the associate the probability of default and the likelihood of the guarantee being called. Based on this assessment, the related amount was considered immaterial and accordingly no liability was recognised in the consolidated statement of financial position.

26. EVENT AFTER THE REPORTING PERIOD

Chengdu Desun Real Estate Investment Enterprise Management Group Co., Ltd. ("Desun Enterprise Management"), a wholly-owned subsidiary of the Company, received a bid award notice on 23 June 2026 confirming that it had successfully won the bid for the Hongcang Huatian Mansion Project (the "Project").

Desun Enterprise Management entered into a lease agreement with Chengdu Huatian Culture Tourism Development Co., Ltd. (成都華天文化旅遊開發有限責任公司) on 15 July 2026. The lease term for the Project shall be 15 years commencing on the formal handover date of the leased property, which includes a rent-free period of 12 months for the fit-out. The rent-charging period shall be 14 years.

27. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 28 August 2026.